

POWERFUL BOOM LAUNCHED FOR SIR THOMAS WHITE TO SUCCEED TO PREMIERSHIP OF CANADA

Cabinet and Unionist Managers Decide That Sir Robert Borden is Not Coming Back Politically—Montreal and Toronto Back of the White Boom — Mr. Meighen at One Time Was Considered Most Probable Successor to Premiership—Right of Sir Thomas White Challenged by Some—Leader and Platform Must be Decided Upon at Once.

Special to The Standard.

Ottawa, Feb. 2.—With the session scarcely more than three weeks distant all kinds of political rumors are beginning to infest the Capital. One of these—it appears to be fortified by much circumstantial evidence—is that the cabinet and Unionist managers have made up their minds that Sir Robert Borden is not coming back—politically—and that a powerful boom, backed by Montreal and Toronto, as well as by most of the cabinet, has been launched to make Sir Thomas White prime minister.

Cabinet Barred

It is, all things considered, a story with some claim upon credence. One fact, which strongly supports it, is that the cabinet has apparently barred its own members for the post (the premiership) and that, in the field outside the Ministry, Sir Thomas is the most prominent figure with the necessary qualifications.

When the announcement of Sir Robert's determination to retire was first made, Mr. Meighen loomed larger than any of his colleagues as a premiership possibility. Although the youngest man in the Ministry, he made up for his youth with a lengthy and distinguished record of parliamentary, legislative and administrative experience, and, in addition, represented the militant school of Conservative Democrats which is the dominant factor in the Unionist party. While the press and party leaders, particularly the Conservative wing, were calling for Mr. Meighen, the name of Sir Thomas White was seldom mentioned. Indeed, it was mentioned at all, it was in connection with the observation that Sir Thomas had forfeited his claim upon the leadership by deserting of his post at a critical moment; an allegation which, whether justly or unjustly based, succeeded in losing to the ex-Finance Minister a number of his former friends. When it appeared that Sir Thomas was definitely eclipsed, and that Mr. Meighen was upon the threshold of the premiership, an amazing swiftness of opposition developed against Mr. Meighen. This opposition, for the most part, came from Montreal, and Quebec, and came from Montreal because Mr. Meighen's name had been associated with the greatest measure of nationalization ever undertaken in this or any other Democratic state, and Montreal is the sworn enemy of Nationalization. It came from Quebec because Mr. Meighen was regarded as the author of the Military Service and War Time Elections Act and in Quebec it is thumbed down for all and sundry known to be associated with these measures. The rank and file of the party, despite all such objections, remained loyal to Meighen, but the General Staff took fright. Of what avail would be a leader, they argued, who possessed no possible chance of recapturing the heights in Quebec, and three or four days later, the Minister of the Interior, having been dropped, and there being no one else within the Ministry with the necessary political qualifications (The character of the Coalition's make-up, as well as the peculiar conditions in the country, compel these to be somewhat varied) Sir Robert was induced to remain.

The arrangement arrived at has not, politically speaking, proved satisfactory. The rank and file of the party, particularly its Conservative wing, appear more and more disposed to write a question mark after the leadership in the cabinet.

The absence of a strong, directing head in Ottawa is criticised. The repeated delays in the Cabinet reorganization are held up as evidence of feebleness. There is an ever growing demand that the Government come out squarely and unequivocally for the principle of a moderate tariff. It is largely in response to this growing unrest for the leadership of Sir Thomas White. The cabinet, or a section of it, is of the opinion that the ex-Finance Minister, a former Liberal, would appeal to Liberal Unionists, that as a strong protectionist he would likewise appeal to Conservatives, and, finally, there is little antagonism toward him in the Province of Quebec.

While, unquestionably, these views are not without force, there are not a few disposed to challenge them. It is pointed out that, so far as Quebec is concerned, all Unionist sheep look alike to the French Canadian; that it is futile to suppose that Quebec stands ready to embrace one member of the

Gov't Intervention May Be Urged To Save Swiss Watch Industry

New York, Feb. 2.—The exchange situation was the engrossing topic of discussion today among bankers, overshadowing all other matters in the financial markets of the world. Pessimistic statements of Frank A. Vanderlip and other prominent financiers, emphasizing unfavorable economic and political conditions abroad, were sentimental factors in the further collapse of exchange.

An interesting side light on some of the Old World's important industries was furnished by advices from Switzerland, which declared that Government intervention might be urged to save that country's watch and clock making interests from the serious exchange situation.

PROVINCIAL GOVERNMENT \$327,000 BEHIND IN THEIR CURRENT ACCOUNTS IN 1919

Biggest Deficit in History Due Mainly to Extravagant Expenditures of Minister of Public Works — With Big Revenue and Bond Issue of \$1,000,000 the Spender's Government Ends Year With Overdrafts of \$1,058,494—Heavy Increases on Capital Account — Government Afraid to Give Opposition Press Their Annual Financial Statement Until Government Organ Had Opportunity to Make Elaborate But Ineffective Apologies for Their Orgy of Extravagance—Mr. Veniot Declares He Needed the Money.

For the first time in the history of New Brunswick, a Government has deemed it expedient to refuse to opposition newspapers the financial report of its year's business until that report, in a leading form, had been presented by its own journals, and until one of these papers had been given opportunity to send a condemnation of the statement broadcast through Canada for the deliberate purpose of creating a false and misleading impression of the financial affairs of the Province. More than this—and although Foster administration attempted flimsy excuses to explain why opposition newspapers were denied a privilege which has been extended to the press of the Province since financial statements were first issued—there is abundant evidence to show that the whole thing has been a deliberate plot, framed by members of the Government and their friends for the sole purpose of deceiving the public.

The financial statement was issued last week. Mr. Peter Veniot, who assumes the role of apologist for the Government—he being the guilty party in the accumulation of a staggering deficit—gave out for publication in the *Telegraph* of this city a long harangue which was calculated to deceive and mislead, but which has done neither. And the *Telegraph* was instructed to place on the Canadian Press wires a report of the financial affairs of the Province which fails to convey any adequate conception of the real state of things. This was done, but the people who issued the *Royal Gazette*, the departmental heads who are responsible for its distribution, took such steps as prevented the *Standard* receiving a copy, although even in the days of the iniquitous Tweedie-Pugsley combination no such cowardly action was even contemplated by the then leaders. The Veniot Foster crowd were, however, afraid to take their medicine, afraid to acknowledge without flimsy explanations, the desperate mess into which they have managed to get the affairs of this Province.

The statement of current accounts admits a deficit of three hundred and twenty seven thousand. This in itself would be almost enough to shatter the credit of the Province, but the circumstances by means of which this figure is reached are such as to indicate that the admission actually made is of comparatively minor importance. The manner in which the report has been given out—preceded by an apology—is in itself an intimation that all is not as it should be. And on looking into the report some of the reasons for this early anxiety are readily apparent. In the first place, Price, Waterhouse & Co. repudiate all responsibility for the methods of distribution of funds for roads and bridges and throw upon the officials of the Public Works Department all blame for this distribution. These accountants have learned that there is not always wisdom in charging to Capital Account the hundreds of thousands paid for ditching mud roads, and for repairing tumbledown wooden bridges. So they disclaim all responsibility and charge to capital account those items which the engineers, acting under Mr. Veniot's direction, say should be so charged. Thus thousands upon thousands of dollars—one may yet say just how much—has been added to the capitalized debt of the Province just as such sums were added last year.

But here is one of the most astounding features ever presented to the people of this or any other Province. When last year's statement was issued, those responsible for it admitted under pressure that it was incorrect. A surplus of thirty odd thousands was claimed, but when the officials had occasion to revise their figures they confessed an actual deficit of one hundred and thirty-four thousand dollars, and this sum was acknowledged in the Legislature by members of the Government as the deficit on the year's operations. But to the amazement of the public, the statement which was given to the *Telegraph* and by it to all the newspapers in Canada excepting the *Standard*, overlooks entirely this little matter, and goes right ahead with a surplus of thirty thousand dollars, as though last year's juggling had never been confessed.

In the matter of actual receipts and expenditures, Mr. Veniot, whose ability as a spendthrift has often surprised even his friends, has far outdone all previous attempts. Not content with the half million or more voted for purposes of his department, he has actually spent on so-called repairs to roads and bridges three-quarters of a million dollars, and has charged to capital, so far as can be learned from the incomplete statement now issued, practically eight hundred thousand more. The outlay on roads and bridges has been in the vicinity of a million and a half dollars or little less than one-half of the entire Provincial revenue. And this Province is faced with an addition to the capital debt amounting to fully one million dollars despite the fact that this Government has been in the enjoyment of a greater revenue than had ever been secured from Crown Lands, that it has misappropriated the amusement taxes, the liquor fines, and other revenue which rightfully belong to the municipalities paying the costs of producing such revenues.

The financial statement appears on a later page of this paper.

NO WIDESPREAD EPIDEMIC OF FLU IN THE DOMINION COMPLETE WORK OF PUMPING OUT THE POWHATTAN

Federal Department Keeping Close Watch on the Situation and Find the Few Cases in Canada as of Mild Type.

Ottawa, Feb. 2.—(Canadian Press)—Reports from every province of Canada indicate that there is, as yet, no widespread epidemic of influenza. The Federal Department of Health, which has been keeping in touch with the situation for the past month, states that where cases have developed they are of a comparatively mild type, with few complications. The eastern provinces of Prince Edward Island, Nova Scotia and New Brunswick report no influenza within their boundaries. All of the western section of Quebec is also free, but ninety-two cases have been reported in the city of Montreal. In Ontario several centers are affected, the disease spreading east-

Cabinet To Settle Disposition of German Holdings

There is Said to be \$40,000,000 Worth of German Property and Debts Owning to Germans in Canada.

Special to The Standard.

Ottawa, Feb. 2.—What disposition shall be made of 40,000,000 worth of German property and debts owing to Germans held in Canada is a question that the cabinet will decide this week. Under a clause in the Peace Treaty the Allied nations reserved the right to liquidate all such debts and property, using the proceeds to pay damages sustained by persons of Allied countries who held property in Germany, as conducted by the German government, or for the meeting of claims against Germany which are being dealt with by the Reparation Committee which sits in Paris. Whether the Dominion Government takes advantage of this clause is not quite clear. There is some difference of opinion in regard to the matter. Most of the \$40,000,000 is made up of stocks and bonds in Canadian enterprises held by Germans. It is now held in trust by Sir Henry Drayton, finance minister.

PRES. BEATTY OF C. P. R. REVIEWS RY. SITUATION

Intimates a Coming Increase in Rates to Meet Vastly Increased Operating Expenses

Winnipeg, Man., Feb. 2.—(Canadian Press.)—Addressing the Canadian Club at a luncheon at the Royal Alexandra on the subject, "The New Railway Situation," E. W. Beatty, K. C., President of the Canadian Pacific Railway Company, gave a plain intimation of a coming increase in rates. He deprecated under vastly increased expenses, owing to existing conditions, and that, in order to meet this heavy operation cost, more must be obtained for service. He intimated, also, by a well-organized system of national endeavor, involving thrift and hard work on the part of all, the conditions causing heavy expenditures for operation would eventually disappear, and that rates would again come down.

President Beatty dealt with the railway situation in Canada as a result of Government-owned railways. He maintained that the Canadian Pacific, while privately owned, was bound up with the national and with the people in a very real way, and expressed confidence that it would maintain its prestige. He expressed the hope that the National Railways would be conducted from a purely business standpoint, and that any tendency to bring in the influence of national ownership, He expressed unbounded optimism in regard to the future and stated his belief that the country would eventually solve its industrial problems.

GREY AND GLASS LETTERS CALL FOR VARIOUS COMMENT

The Relations Between Great Britain and United States Fill Large Space in London Morning Papers.

London, Feb. 2.—The relation between Great Britain and the United States fill a large space in the London morning papers, several of which print long despatches from their American correspondents and comment thereon, with references to the letters of Viscount Grey and Secretary Glass. The despatches report that a very bitter campaign is being waged in the United States against Great Britain and the papers which deplore this regard Viscount Grey's letter as particularly opportune and hope it will tend to mutual enlightenment. They endorse his appeal for fair consideration from the American point of view.

The *Times*, *Morning Telegraph* and *Daily Mail* are amongst these. The *Mail* does not doubt that the United States will do the right thing with regard to the League of Nations, adding: "But she must be allowed to do it in her own time."

The *Chronicle* agrees with Lord Grey that it is better to have the United States in the league at almost any terms and with any reservations than not at all.

ACTION OF GOV'T DELEGATES AT WASHINGTON CONFERENCE UPHELD BY HON. MR. ROWELL

Approving of the Convention Relating to Eight Hour Day and Forty-Eight Hour Week Regarded as Proper Move as They Were Standards Set Forth in Peace Treaty—Not Necessary to Follow Lead of United States as Canada Had Gained Its Own Place in International Affairs and Could Act Independently.

Ottawa, Ont., Feb. 2.—(Canadian Press)—Addressing the Association of Canadian Building and Construction Industries at the Chateau Laurier today on "The Labor clauses of the Peace Treaty and the Washington conference" Hon. N. W. Rowell, president of the privy council, upheld the action of the government delegates in approving the convention relating to the eight hour day and forty-eight hour week.

Poland Abandons Military Work Against Russia

London, Feb. 2.—The Bolshevik delegates at Dorpat declare that Poland has abandoned her military preparation against Russia, which was to be followed by simultaneous attacks upon Moscow and Petrograd, according to a Central News despatch from Reval, Estonia, today. Poland has taken this course, the delegates say, because Livonia, "in accordance with the Peace Treaty with the Soviet," has withdrawn her promise to place her army and the harbor of Reval at Poland's disposal.

Dewart Breaks Loose Again On Hon. Mr. Doherty

Leader of Ontario Liberal Party Evidences His Soreness Over Success of Minister of Agriculture in Drury Gov't.

Thamesville, Ont., Feb. 2.—H. H. Dewart, leader of the Ontario Liberal party, in an address here tonight scored Hon. Mr. Doherty, Minister of Agriculture in the Drury Cabinet, as being a contractor, rather than the farmer the Minister professed to be, and he objected to Mr. Doherty's "extraordinary intrusion into the riding of East Kent," as the Liberal leader put it.

Mr. Dewart recalled that Mr. Doherty had been appointed an instructor in the Agricultural College at Guelph when Sir John M. Gibson was a member of the then Liberal Government of the Province, but had left the Agricultural College and engaged in the manufacture of stoves in Guelph. Then Mr. Doherty went to New Brunswick, Mr. Dewart said, and there found a new field for his manufacturing genius. In the Dominion general election of 1917, Mr. Dewart said, Mr. Doherty opposed reciprocity and supported Hon. J. D. Hazen. Subsequently Mr. Doherty was able to obtain contracts which enabled him to control the dredging business in the Province of New Brunswick, according to Mr. Dewart.

"The net result was that a company was formed to take over all the interests which Mr. Manning Doherty and his friends had acquired," Mr. Dewart continued, "or have since acquired, in dredging and other business, and the company got a charter from the Dominion Government on the 28th day of December, 1917, under the name of the Maritime Dredging and Construction Company, Limited. The first name upon the list of applicants is that of Mr. Manning Doherty. He became the managing director and controlling spirit of this corporation."

Following up his attack on Mr. Doherty as a dredging contractor, Mr. Dewart said the Auditor-General's report showed the extent of the activities of the Maritime Dredging and Construction Co., Ltd., of which Mr. Dewart said that "Mr. Manning Doherty was general manager from 1911 until some time in 1917 or 1918 when the dredging business became so unprofitable that he left New Brunswick and came back to Ontario to enlist himself in the ranks of the United Farmers."

These, he said, were standards set forth in the Peace Treaty, and because the United States had not taken any action was no reason why Canada whose delegates were fought for a voice in international matters should sit back and wait for a lead from the United States. Canada could not have refused to accept this without becoming the first nation to repudiate her obligations under the Treaty of Peace.

Insist On Rights

Referring to the trouble over the Treaty in the United States at present Mr. Rowell said: "Stripped of all its diplomatic veneer, the question which we face is, shall the Dominion be denied distinctive voting rights in the League, in order that one of the many objections urged by some in the United States Senate to the ratification of the Treaty be removed? To that question there is only one possible reply, and that is, a dignified but a word 'No.'"

Mr. Rowell dealt with the efforts made to give votes in the League to Panama, Uruguay and other southern American nations and yet exclude Canada. While Canada was now a Nation of less than nine million people, she was potentially a Nation of 200 million. Canada did not hesitate at the cost when the war broke out, and according to the impartial testimony of General Ludendorff, the Canadian and Australian troops on August 8, 1918, in front of Amiens, gave the German army the darkest day of the war, and with the Canadians as the spearhead of the attack they started the movement which culminated in the overthrow of their enemies. In conclusion Mr. Rowell said:

"Our desires to avoid comparisons, but it is a simple statement of fact to say that in the effort to establish world peace more Canadians fell in battle or died of wounds than soldiers of the United States."

Asked No Favors

Canada asked and Canada received no favors at Paris; she sought only justice and fair play, and she has been cheerfully accepted by the nations which have ratified the Treaty. And I believe that Canada will yet receive the same recognition at the hands of her neighbors to the south."

Berne, Switzerland, Feb. 2.—Immediate Government intervention is necessary to save the Swiss clock and watch industry from "inevitable catastrophe" arising from the unfavorable exchange situation, according to addresses made before the Swiss Commerce and Industry Congress which closed its sessions here on Saturday.

Quebec Province Outstripping Ontario In Population Gain

Ottawa, Feb. 2.—(Canadian Press)—If Quebec Province continues to gain on Ontario in the matter of population, as it is shown to be doing in the Bureau of Statistics estimate of the population of the sister provinces to March 31, 1919, there will be a reduction in the number of members of the Federal House from Ontario after another census.

Quebec with sixty-five seats in the House of Commons had on that date an estimated total population of 2,325,528. Ontario has but half a million people more or 2,820,909. Quebec's gain would change the unit of representation and bring Ontario's membership in the Commons down from eighty two as at present to eighty in the opinion of one Ottawa authority on election matters.