

Our Ottawa Letter

Naval Bill Killed by Senate—Mackenzie and Mann Get Cash
Gift of \$15,000,000 by Successful Lobbying

(By The Guide, Special Correspondent)

Ottawa, May 30.—The long delayed obsequies of Premier Borden's bill to give \$35,000,000 for the construction of three Dreadnoughts to be given to the Imperial Admiralty, took place at one o'clock this morning in the Senate Chamber. The final scenes were quiet in the extreme. There were only a few people in the galleries, but a considerable number of members of parliament and pressmen occupied the vacant space on the floor of the Chamber where commoners are wont to gather on two occasions each session, to hear the representative of royalty read the speeches from the throne which mark the opening and close of the session.

The bill was finally and definitely slaughtered by the adoption by the Liberal majority of an amendment to the second reading moved by Sir George Ross, the opposition leader, declaring that the Upper House could "not give its assent to the bill until it had been submitted to the judgment of the country." This amendment was adopted on a vote of 51 to 27, a Liberal majority of 24. Senator Ellis, of St. John, a Liberal of independent views and imperialistic tendencies, recorded his vote against the amendment, while Senator Montplaisir, a French Canadian Conservative of Nationalist stripe, voted with the opposition majority.

Party Political Game

The fate of the bill was really decided definitely at a caucus of the Liberal members held on Tuesday morning, at which a decision was reached that Sir George Ross should, on the second reading, move the same amendment as was moved by Senator Loughheed, the then opposition leader, when Sir Wilfrid Laurier's Naval Service Act was introduced in 1910. This was considered a rather clever move, because it enabled Sir George Ross, in the course of an able speech to be able to say that

the Liberal majority in the Senate were only adopting the course advocated by Premier Borden and his followers when the Naval Service Act was under consideration. The speech by Sir George was strongly imperialistic in its tone and probably his best point was that as a policy of contribution would ultimately lead to trouble between Canada and Great Britain, it was Mr. Borden who was the separationist and not the Liberals.

The government deliverance was made by Senator Loughheed on the previous day. Mr. Loughheed went a long step in the direction of an advocacy of a system of permanent contribution and imperial centralization. He contended that there is an emergency and for Canada to attempt to build a navy at the present juncture, would be little short of an insult to the Mother Country. The speeches of other senators, of which there were many, covering a period of four days, were not marked by much originality of thought. They followed the lines taken by speakers in the Commons on both sides.

As a result of the killing of the bill there is some speculation as to what course the government will now pursue. While it is possible that Mr. Borden may make some general statement before the House rises, the probabilities are that no definite plan will be formulated until the recess, when the situation will be thoroughly canvassed by the Premier and his ministers. While some are inclined to think that there will be an early autumn session to pass a redistribution bill and an appeal to the country, others believe that parliament will meet as usual in November and that at the earliest there will be no election before the summer or autumn of 1914.

Canadian Northern Subsidy

Early in the week Hon. Frank Coch-

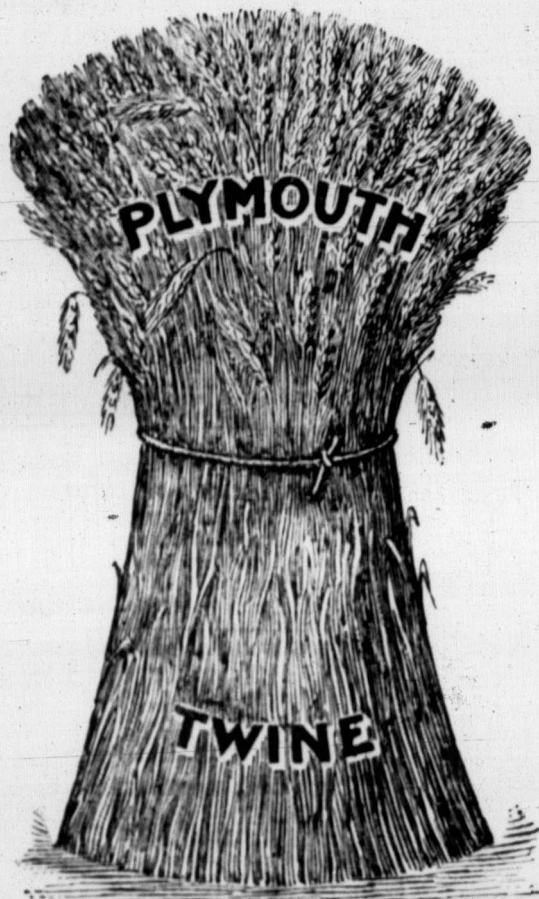
rane, Minister of Railways, tabled in the Commons the railway subsidies for the current fiscal year. As anticipated they are pretty large and the Canadian Northern Railway gets by all odds the largest share of them. Figuring the general subsidies at the minimum sum of \$3,200 per mile the subsidies amount to over twenty-two million dollars, of which the Canadian Northern, on the completion of certain lines, will get from fifteen and a half to seventeen million dollars. The Canadian Northern's successful dip into the public treasury is due to the fact that twelve thousand dollars per mile, or practically double the usual maximum subsidy of \$6,400 per mile, is given on two lines. They are the Ottawa-Port Arthur section of the proposed transcontinental system—a stretch of railway 910 miles long—and the line from Edmonton to the British Columbia boundary, a distance of 260 miles. The late Liberal government gave Mackenzie and Mann a bond guarantee on the Ottawa-Port Arthur section of \$35,000 per mile, and on top of this the company now receives a double subsidy. Then it is provided in the resolutions submitted to the house that the Canadian Northern Ontario system will receive the regular subsidy not exceeding \$6,400 per mile on the 250 miles of railway between Ottawa and Toronto. In a couple of respects the Canadian Northern handout is not so bad as it was thought it would be a couple of months ago. Then more extensive subsidies and a loan of \$10,000,000 was hinted at, but the expressions of public opinion as voiced by the press throughout the country evidently determined the government to go a bit easier than was at first proposed. Then, according to the arrangement arrived at, the government is to receive \$7,000,000 worth of the common stock of the Canadian Northern as payment for the subsidies in excess of the usual amount. Just what Canadian Northern stock is worth at the present time it is difficult to say, but some authorities estimate its value at one-fifth of par. Allowing it such a value the government will receive value to the extent of about \$1,400,000 for the excess subsidy amounting to

\$7,000,000 which has been granted. Some day, perhaps, this stock will be worth one hundred cents on the dollar, but in the meantime it is not likely to prove to be much of an asset for the country, nor will the extent of the partnership into which the government has entered with Mackenzie and Mann enable it to exercise any considerable share in the management of the road or the rates and charges to the public.

Smoothing the Passage

As explained in a letter several weeks ago the campaign on behalf of the Canadian Northern Railway was commenced comparatively early in the session. During the absence in England of Sir William Mackenzie, his partner, Sir Donald Mann, spent considerable time in Ottawa interviewing Premier Borden, Hon. Frank Cochrane, Minister of Railways and Hon. Robert Rogers, who has throughout taken a prominent part in the negotiations. As a matter of fact, most of the lobbying has been done by the two railway knights themselves, and they did not neglect either ministers or members on both sides of the House. During the ten days preceding the bringing down of the subsidies other lesser lights of the Company arrived on the scene and were very busy in the corridors of parliament. They included W. H. Moore, otherwise known as "Billy Moore," the secretary of the company; W. Sloan, of the secretary's office, and Gerald Ruell, of the legal staff. These men could be seen at almost any time of the day and night discussing the interests of the Canadian Northern with various members of the House, with the idea, no doubt, of smoothing the way for the passage of the subsidies through the House.

Subsidies other than those given to the Canadian Northern are pretty generally distributed throughout the Dominion, quite a number of companies being the recipients of this annual favor from the government. From the Atlantic to the Pacific various lines have been helped. It is provided, of course, in all cases that the money will not be paid until construction has been undertaken, when the money will be handed out on the basis of progress estimates as the work proceeds.



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