OTTAWA LETTER.

A Big Railway Scheme Promoted by Hon. Dr. Pugsley.

Mackenzie and Man Also Get a Subsidy for Their Rainy River System.

Col. Hughes as a Fighting Man-Mr. Cowan of Essex Thought He Was the Whole Public Accounts Committee and Sole Mouthpiece of the Whitewash Brigade.

OTTAWA, Aug. 4.—The railway osidies are going through with great oldity. Some 26 were passed in nmittee during the evening session ted to the policy of rallway su and carried out that idea for so and carried out that idea for some 15 years by average payments of about a million a year. Of course the votes were larger than that, for nany subsidies are never claimed. But in its wildest days the conservative party never plunged into railroad subsidizing as this government is now doing. As Richardson observed yesterday, the bonusing of railways has become a great national industry. Not only has this government run up the subsidy bill to more than six million dollars, but it has increased the amount payable per mile. While the opposition members do not oppose the principle of subsidies, Mr. Haggart points cut that the amount originally given ciple of subsidies, Mr. Haggart points cut that the amount originally given was only enought to provide the rails, which can now be furnished for about half the subsidy. Mr. Foster believes that the granting of subsidies should be reduced rather than increased. while Clarke Wallace and Mr. Osler and several other members take the view that it ought to be stopped alto-

Mr. Osler is very emphatic on this point. He thinks that parliaments and governments are becoming altogether too reckless in their use of public money. It strikes him as a careful and prudent financier that this matter is not conducted on business principles and that the dominion treasury should be much more carefully protected than it is now. He finds in modern public life a strange recklessness in regard to the increase recklessness in regard to the increase of debt and the assumption of new obligations. Another Toronto member, Mr. Ross Robertson, who came into parliament by defeating a conservative candidate, has reached the conclusion that the department of railways is dominated by the firm of Mackenzie & Mann. This couple, who were the beneficiaries in the Turon railway scheme, has the largest subsidies given in this bill. Mr. Richardson figures out that their railway would be subsidized to the extent of \$14,000 per mile by the three governments which, according to Ross Robnients which, according to Ross Robnients

Mr. Blair regards all these matters with a light heart. He claims that Sir Charles Tupper is in favor of the programme, and as Sir Charles is on his way to England, he cannot contradict him. As a matter of fact, the leader of the opposition condemns a large

The most amusing episode in the whole discussion was Mr. Blatr's apol-ogy for the abuse which his colleagues when they were opposition leaders had piled upon the late government because the railway subsidies were no brought in early in the session. Mr. Blair brings in the bill in the fifth month and says that it is all right. He even his own side joined. It almost took away the breath of Sir Richard when this parvenu in dominion politics after three years' experience spoke of the veteran minister as an amateur. But it is true that there are some things well understood by Mr. Blair in respect of which Sir Richard lacks practical experience. Sir Richard is no doubt rather proud of his freshness in this respect.

where the mails of an entransported. Mr. Blair figur mail service on these bread and small colonization line

riage per mile on the part now operated, we will get the largest possible amount per mile on the new section. It may fairly be assumed that such roads will at least carry as many that are to be extended, we find only one that received as much as \$40 per mile. One other gets \$45, another \$27, one \$35, two \$25, one \$13, and two \$10. ed to make statements in the house so utterly unreliable and deceptive.

In the privileges committee Mr. Borden is working up the results of No. 3 Goderich poll. It will take some time to get in the voters who marked their ballots for Mr. McLean at Mr. Farr's polling place, but Mr. Borden and Mr. Powell are working away at it with a fair chance of bringing at it with a fair chance of bringing in a good many more than Mr. Farr returned as having voted for the government candidate. An important point was brought out by the evidence of one of the government organizers in the campaign. Mr. Hoppen said that he had done nothing illustrations of the said that he had done nothing illustrations. he testified that he had taken part in several other bye-elections in various parts of the province. Among those was the election in Elgin, a fair account of which is given in the celebrated confession of Mr. McNish. "I went there," said Mr. Hoppen, "at the request of Mr. W. T. R. Preston," and afterwards he swore that Mr. Pres-ton was the chief organizer for that campaign. This brings Mr. Preston in close contact with the proceedings mentioned by McNish, including the resonation of returning officers, iffing of ballot boxes and the operation of the machine generally. Everybody knew that he was the chief machinist and that it was because of these services that he was appointed to a government office the day after the riding was stolen, and the day after Mr. Preston had sent his "hug the machine" despatch. As previously remarked, Mr. Preston is now in Europe overseeing the immigration agencies, drawing \$3,000 a year for salary plus

So far the privileges committee has pulled through without a breach of the peace, but yesterday something approaching a physical contest seemed to be impending. Mr. Britton, Q. C., the venerable member for Kingston, is the venerable member for Kingston, is a lawyer of mature years and an imposing white beard. He has a rather prolix way of asking questions and is discursive beyond the power of description. Mr. Britton can ask more questions that have no bearing on the subject and which delay the proceedings than even Mr. Russell, and he is not half so ingenious in his way of concealing the intention. A devout person is Mr. Britton and well known in a General Conference of the Methodist Church, but where he learned the are of self-defence is not recorded in Canadian biography.

Col. Hughes is a fighting man from its youth up. Pugnacity is his stron coint. He does not belong to the Gen



The man said he was not, when Hughes suggested a question as to the witness's children. Mr. Britton might have passed it off with a laugh, or without hearing it, as Mr. Russell usually does, but he thought it worth while to say that Col. Hughes was not a member of the committee and was interfering "with his usual impudence." Col. Hughes might have laughed it off, but he thought it worth while to intimate that he couldn't be water to the colored also asked Mr. while to intimate that he couldn't be out out. The colonel also asked Mr. Britton whether he meant to charge him with impudence. Mr. Britton improved the occasion by telling Colonel Hughes that he was the most impure that he have adding that he had been adding that he had been adding that he was the most impure that he had a second to the most impure that he was t dent man in the house, adding that he was a "scoundrel." (col. Hughes by this time was assuming a belligerent attitude, and Mr. Britton added, "Yes,

pace and rapidly overcame such ob-tacles as empty seats that stood be-ween him and Mr. Britton. Mean-while the venerable member for Kington was preparing to resist the at ack. He stood drawn up in a post ture of defence that was beautiful to see. The two belligerents were at close quarters when Wood of Hamil-ton and Mr. Flint, as neutral forces ton and Mr. Funt, as neutral forces moving in from opposite directions upon the two flanks of the contending forces, created a diversion. The advance of the member for Victoria was checked and he was forced back upon his reserves. Chairman Fortin made a remark which was construed to mean that it, was a drawn battle, and there was no appeal from the decision of the umpire. Five minutes later white winged peace hovered over the room and the witness was engaged in explaining to Mr. Britton the inner workings of his own quiet household and any culinary arrangements regarding which Mr. Britton felt curiosity.

Mr. Britton. Then he formed for at-

be paid to Mr. Cowan of Essex, for his report of the public accounts committee. For a week Mr. Cowan has been moving around bearing a great burden. Nobody knew exactly what he was carrying until yesterday, when he unloaded his whole cargo. It was a report of the session's work in the public accounts committee, and the fact transpired that Mr. Cowan has for a week past been going around fact transpired that Mr. Cowan has for a week past been going around with the impression that he was the whole committee. Having referred to himself the doings of the session, he has reached the unanimous conclusion trat every case brought up was satisfactorily explained. He decided that the Manitoba bogus prosecutions were tot bogus at all, but were perfectly justifiable, that all the government counsel and all the grit heelers decounsel and all the grit heelers de-served all the money they got and that a great public service was ren-dered in the transaction. He found dered in the transaction. He found in the case of Collector Costigan of Winnipeg. Mr. Costigan had been a most exemplary youth, and though there was a slight lapse and some irregularity which ought not to be encouraged, the department of inland revenue had acted with great proprirevenue had acted with great propriety in placing Mr. Costigan in charge of the office at Ottawa, and was completely justified in dismissing Deputy Collector Christie, by whom the charges were made. Moreover Mr. Cowan, without a dissenting vote, had concluded that Col. Domville in the affair of the alleged armory rent conducted himself in a manner every way creditable to an officer, a member of parallament and a gentleman. Lastly, Mr. Cowan decided by a larger major. liament and a gentleman. Lastly, Mr. Cowan decided by a large majority that Col. Hughes, who brought in some charges against one Mr. Mc-Laughlin, failed entirely to substan-

Mr. Cowan, it will be seen, is a harmonious committee. Hitherto he has not attained to extraordinary eminence, and it was somewhat surprising to find him constituting himself ing to find him constituting himself into so big a committee. Unfortunately Ottawa is not ripe for comprehensive men like Mr. Cowan. This parliament is too crude for him. Whitewash is not unknown on this hill, but it is not the custom for one man to spill it out in such enormous quantities. Mr. Cowan's rejected addresses will be filed away in his own private archives. and a sub-committee has will be filed away in his own private archives, and a sub-committee has been appointed to draft another. Of course it would not be half as good as Mr. Cowan's and not one quarter as unanimous. The day will come when Mr. Cowan will be appreciated, and then all the committees and conventions in government will contain

OTTAWA, Aug. 5.-Two days have been occupied with the railway sub-sidy bill and the whole of it is now

ainy River system. This is one of ne Mackenzie and Mann projects. It egins easterly at a point on a rail-

than the rallway cost. For the Rainy River system they are to get \$6,400 a mile from the dominion government, a large subsidy from the province of Ontario, and one from the province of Manitoba. Altogether, according to Mr. Richardson, they are to have \$14,000 a mile, which will pay handsomely the whole cost of construction. Mr. Richardson does not so much object to that as he does to the absence of provisions which will secure to the Northwest some benefit from the competition. He formed a combination with Mr. Oliver, the liberal member for Alberta, and tried his best to secure an amendment limiting the proture an amendment limiting the profits of the company to a fair percen fage on their own ontlay. When that failed he offered another fixing a max-imum rate for wheat from the North-west. Both amendments were voted down and the only provision which now exists is one to prevent the con-tractors from selling the road to the Canadian Pacific. This provision is probably useless. In fact, Mr. Blair sible to prevent roads working to-gether as one organization even if they were not owned by one company. Neither is it possible to prevent stock-holders in one road from selling their shares to the stockholders of the oth-er. On the whole, therefore, the in-dependent liberals of the west are not sure that they are going to get much

Moreover, in the winter time the Canadian connections east except by the Canadian Pacific. There is some ate with the Northern Pacific, or arrange with that company to transfer its business to United States channels. All this is not very satisfactory when it is remembered how many millions the country is investing in the new system of roads. The one ob-vious advantage is the local value the wealthy mining country around the Lake of the Woods.

Passing now westward we find a ubsidy for a railway from Edmonton owards the Yellow Head Pass of the ocky Mountains. If the Ma and Mann system is extended to Ed-monton through Prince Albert, thus following the old projected line of the C. P. R., the extension from Edmonton would be a part of their tran continental line. By Mr. Blair's re-solution the subsidy is given for only fifty miles, which does not reach anywhere in particular, but which see to involve a large additional expe ture in case the railway is to be ex-tended into British Columbia and to the coast. In view of these circumstances it struck Mr. Foster that so explanation should be given of the intent and purpose and ultimate result of the bill. Mr. Foster wanted to know if this was to be an independent railway to be built by the comview of making the road a part of a

The history of this Edmonton Tukon railway, as it is now called, has en varied. It began as the Edmonion District Railway. Afterwards it was a line intended to run eastwards it towards Saskatchewan. Then it appeared as a connection between Edmonton and the lakes to the north. The papers show that the company made aplication for a subsidy northward towards these lakes and set forth in their memorial very clearly the ad-vantages that would accrue to the country from the connection with these water stretches. But the subsidy given in response to that petition is not for the line northward, but for an entirely different one pointing westward, apparently with the ultimate object of reaching the coast. As the railway company has changed its name a great many times and made almost as many changes in the direcmost as many changes in the direc tion of its operation, Mr. Foster's demand for information as to the present aspect of the case appeared to be reasonable. Nor could any one else reasonable. Nor could any one else but Mr. Blair find objection to the request that the names should be given of the promoters of this com-

Mr. Blair had objections. He was after much persuasion, induced to say that Mr. George McAvity of St. John was president, Mr. B. F. Pearson of Halifax, secretary, and the Hon. Wm. Pugsley, solicitor. Negotiations were Pugsley, solicitor. Negotiations were carried on with Mr. Pugsley. When Mr. Foster wanted to know whether these men and their associates intended to build the road or sell out the charter, Mr. Blair got strangely excited. He assured the house that Mr. Foster's questions were an attack on Mr. McAvity, whose position in the financial world was such that everybody knew he would not take hold of a scheme of this kind without pushing it through. As for Mr. Pearson, his position was above attack, and Mr. Pugsley had committed no other fault than that he was not a supporter of Mr. Foster. Mr. Blair read from what the house supposed was the petition of Mr. McAvity for the subsidy, But when Mr. Foster asked for Wilfrid Laurier had borrowed it and read with great unction some portions after Mr. Blair had scored out a part of the paper with a pencil. It is understood that the minister of railways marked out a few names which he did not wish to be read. Of course Mr. Foster could not get the paper, but he did ultimately get the original petition. Then it was discovered that

t was a petition for another subsidy in another direction, and that the sub-sidy asked for was not given.

Mr. Foster explained that he did not attack the promoters of this railroad at all, and insisted that when the use was asked to vote money it had the right to know what the money was for, and that the men who had re-ceived the money had no right to complain of any reasonable questions complain of any reasonable questions that were asked. He had not heard anything about Mr. McAvity except good. But he did want to know how far this vote of money was going to lead and what was likely to be its outcome. If the country was starting out to pay for a new transcontinental road, the thing ought to be understood. road, the thing ought to be understood

In the end the money was voted and very little more is known of the project than when Mr. Pugsley took hold of it. That astute promoter has spent a large part of the session at Ottawa, and possibly he knows what he is doing. But in spite of Mr. Blair's indignation, Mr. McAvity and his associates may not become the permanant

It was in relation to another pro-lect that Mr. Blair's refusal to answer juestions led to the sharp discussion time it was Clark Wallace who wanted information, and his desire was so threatened to go into the and treat the question with contempt. Mr. Wallace told him that he might as well be in the corridor as in the house for all the good he was. At Sir Charles Tupper's method of giving full and elaborate explanations of every detail when he asked the house for a railway subsidy.

The discussion of the South Shore railway subsidies was rather lively. This is a subvention to a line parallel with the Drummond railway and with Shore from Montreal to Quebec. There are, it is said, over the greater part of this distance six lines parallel with of this distance six lines parallel with each other. When the Drummond bill was before the house it was pointed out that the South Shore was much more thickly settled and that if the Intercolonial were extended to Montreal at all it should pursue this route. Mr. Blair objected on the ground that it would be too expensive, as there were large rivers to cross. Now we are to have subsidies for the whole length of the road and additional subsidies for all the large bridges on it. Even while Mr. Blair was explaining two years ago the impossibility of taking this route, Laurier candidates in by-elections were reading affidavits by-elections were reading affidavits stating that Sir Wilfrid Laurier had y-election campaign inviting the copie to vote for Mr. Leduc on the ery ground of these railway subsi-

And then we are to pay a million given the government access to Mon-treal by securing the running rights over the North Shore route. This is what Sir Charles Tupper advocated. He was met by the objection that there was no bridge at Quebec and a large outlay would be required in or-der to have one built. We are to have the outlay all the same, and it took the house only an hour last night to vote the round million dollars which the government is contrubuting to that purpose. We are getting along fine with our railway system, buying one road which has already two com-petitors and then subsidizing two other system to increase the compe-

No more complacent supporter of the ministry in all these and other pro-ceedings is found than Mr. Holmes, the for Mr. Holmes. It is now under-stood definitely why Mr. Farr had been charge was vigorously stuffed, and we have sworn restimony that he himself boasted of having put in 22 votes. He put them in rather awkwardly, too, as the number did not correspond with the number in the poll book, and in his eagerness he seems to have added a lot of blank ballots to his contributions. Then he or someone else to get him out of the country, after paying him whatever was necessary to induce him to stuff the ballot box.

One still remembers the applause that followed Sir Wilfrid Laurier's announcement that no guilty man should escape if he could help it, and that the government would assist as far as it could to bring everybody to justice. It was perhaps not suspected then that Sir Wilfrid's ussociates were at that moment collecting \$500 to get one of the criminals out of the country. He is not the only one. At the beginning the criminals out of the country. He is not the only one. At the beginning of the enquiry something was said about Mr. Dancy, who figured at the poll at Colborne. Mr. Dancy came there with a letter from Mr. Holmes, who now sits in the house. He had no business at the poll, because there were two other scrutineers. He was not sworn, but he stayed there even when objection was taken to his appearance.

ron informed the committee that Mr. Dancy was in Detroit. How many hundred dollars of good grit money Mr. Dancy carried away with him is not known. Possibly he has been made an immigration agent, like Mr. Preston. S. D. S.

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government. It was a great day or Mr. McMullen, who for the first ime in three years has mustered up this much courage. Even then the member for North Wellington was rather disposed to excuse the govern-ment and throw the whole blame on wo ministers less than the rest the government would not have made the mistake of increasing the number of paid ministers and the total cost to that \$7,000 a year for a minister gives him better pay than a member who stays at the capital four or five months and only gets one thousand. How-ever, the whole party, with the ex-ception of Mr. McMullen, voted the extra two thousand dollars and agreed that the promoted ministry should get their back pay. Sir Wilfrid Laurier did not say a work about reduc-ing the number of ministers in the future. That part of the programme has been abandoned.

An innocent looking Quebec harbor bill was read a second time Saturday evening. On its fact it is a measure to enable the Quebec harbor commissioners to guarantee interest on bond of the Great Northern railway to the extent of \$200,000 for the purpose of hallding an elevator at Ouebec. But extent of \$200,000 for the purpose of building an elevator at Quebec. But in effect the bill goes farther than this. The Quebec harbor commissioners owe the government of Canada about \$6,000,000. For some years no interest has been paid on these advances and the bill now before the house gives a precedence to the elevator guarantee over the dominion claim. If the Quepay anything, the effect of this bill was to defer that payment, so that it is equivalent to a government subsidy of \$200,000.

On the same day the bill to subsidize the city of Ottawa at the rate of \$60,000 to be of the opinion that it is not so easy to defend to their own constituontributes quite liberally to the conlamentary library is in effect, except in session time, a city library. The geological museum serves the purpose of a civic institution of the kind, and costs the people nothing. They have also the use of the art galleries. The principal bridges over the canal, which form part of the city streets, are maintained by the government. The government contributes largely to the fire lepartment and the water service, besides maintaining a police of its own.

Indirectly the city derives a large part of its taxable value from the fact that the government is located here. The ministers dwell here, maintaining large establishments. The judges of the supreme court have valuable properties. Some two thousand persons employed in the departments are citiens of Ottawa, and a large proportion of them are householders. Besides these, there are the employes of the printing bureau, the bank note establishment, which has government conacts, and a number of other indusake in the experimental farm, which soutside of the border of the town. but which attracts in the summer seaon large excursions every few days

There advantages would make it orth while for Ottawa to pay somehing for the privilege of being the oltal, but according to Mr. Belcourt, capital, but according to Mr. Belcourt, one of the Ottawa members, they call for a further contribution. Mr. Belcourt figures out that the government has \$11,000,000 worth of property in Ottawa, which pays no taxes. There are other exemptions, of say \$4,000,000, and the property taxed is valued at \$25,000,000. Mr. Belcourt says that as the taxable property pays over two per cent. a year, therefore the government ought to give the city a contribution of \$250,000. This seems to be hardly a fair calculation. If the e hardly a fair calculation. be hardly a fair calculation. If the whole taxable property is \$40,000,000 and the revenue a half a million, and all the property was taxed alike, the government share would be one and a quarter per cent. on \$11,000,000, or say \$137,500. But probably the total contribution paid by the government already amounts to something like that.

Besides, the government does not de-fend the \$60,000 bill on the ground of this tax exemption. Mr. Borden of Halifax showed that such a claim would carry large consequences with it. It would be as fair to Halifax or St. John or any other city te make a claim on the basis of these exemptions. In St. John, for instance, the government has buildings which probably cost, with the ground on which they stand, some \$2,000,000, and within a short time will have railway and wharf property worth probably nearly

Mr. Fieldi ne Ottawa, ractive place payable at, howe or the de for this \$60

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