

# OTTAWA LETTER.

## The Only John Connor and the Binder Twine Matter.

### When John Stood in With the Combine and the Government He Did Almost as He Pleas'd.

### But as Soon as He Began to Figure as a Bona Fide Competitor at Business Prices, the Government and the Combine Jumped on His Neck.

OTTAWA, May 28.—Mr. Tarte's organ in Montreal announces that his health is recovered, and so we may perhaps expect to find the minister of public works with us again in a short time. It is too much to hope that he will be here to explain his expenditure in parliament. Though his health may suffice for active operations in Paris and for writing fierce attacks on Sir Charles Tupper's imperialism, to be printed in *La Patrie*, it will probably not be quite good enough to enable the members of the house to obtain explanations of certain dubious transactions. Mr. Mulock is minister of public works for the time being, and it is sufficient for him to say that he does not know the details. Mr. Fielding was acting minister last year when the estimates were put through. Of course he did not know anything about the business. Sir Wilfrid Laurier is not treating the country well in keeping the important and expensive department of public works in the hands of a minister who for two years has not been in a position to explain his proceedings to parliament.

Meanwhile some things which Mr. Tarte has done speak for themselves. The time has been when Mr. Tarte appeared in parliament as a furious critic of another minister of public works, charging him with giving contracts without tender or to the party who was not the lowest tenderer. Now it happens that Mr. Tarte has himself handled a good deal of work at the same class as the involved in the McGreavy scandal. Two instances may be furnished which illustrate Mr. Tarte's method. The other day returns were brought down containing correspondence relating to dredging done at Coteau Landing and at Berthier.

The contractor at Coteau is Mr. Thomas Gauthier of Montreal. Mr. Gauthier has not been engaged in dredging during his busy lifetime. He was a grocer and is now a real estate agent. His connection with public works began when his daughter married Mr. Tarte's son. This domestic occurrence had an important effect on the fortunes of the Gauthier family, and incidentally on the family of the minister of public works.

On the 18th March, 1898, Mr. Tarte conceived the idea of some scheme dredging done. His mind turned to Mr. Gauthier. The innocent grocer of Montreal had apparently not dreamed of any such enterprise. His real estate operations had been of a superficial character and had not been carried on under water. He had no dredges and probably had never watched one in operation. If he had thought of a contract he would have remembered that public works of this kind were required to be given out by tender, and that he would not be able to compete with men who had dredges of their own and were well acquainted with the business. But his daughter's father-in-law knew more about these things, and caused this letter to be written:

"Sir—The minister of public works has instructed me to write to inform you that the department is disposed to enter into negotiations with you for the execution of the dredging work which we are about to undertake this year at La Prairie and Coteau.

"Would you have the goodness to let me know as soon as possible if you are disposed to accept the contract if you have at your disposal the outfit required, and if you would be ready to proceed at the opening of navigation.

"The price paid by the government for this class of work is per hour. I would be happy to receive your reply with as little delay as possible.

"A. GOBEIL,  
"Deputy Minister."

Mr. Gauthier accepted the offer after waiting a fortnight, and by the time of making the return had received \$18,000 for the services performed. The sum of \$8 an hour was paid to him and he went on with his business in Montreal, farming out the work to regular contractors. It is said, at \$5 to \$6 an hour, thus cleaning up from 30 to 60 per cent. margin on the money required. The man who did the work would doubtless have performed it for the government at the same price as it was done for Mr. Gauthier, and the margin would then have remained in the treasury, whereas now it is in the treasury of the minister's friend. But the man with the dredge had no satisfactory son-in-law.

After the arrangement had been made with Mr. Gauthier it became necessary for Mr. Tarte to convince his colleagues in parliament that the work was required. It will be noted above that he caused the first letter to be written to Mr. Gauthier on the 18th March. Mr. Gauthier's reply was dated the first April, but on the 6th April, after the acceptance of Mr. Tarte's offer by the father-in-law, the deputy minister was instructed to

procure some reasons for action. Accordingly Mr. Gobeil wrote to the secretary of the department, Mr. Roy, as follows:

"You will have the goodness to prepare a report to council, showing that a demand has been made by the Canadian Atlantic Railway company to have dredging done at their wharf and elevator at Coteau. The first representations were that the dredging would cost \$6,000. We have made an examination, rather superficial, it is true, but sufficiently extended to enable us to estimate the total cost of the work if the depth of water required, namely, 14 feet, is given, at \$18,000. The report to council should indicate in a general manner the enormous importance to the commerce of Montreal of an easy access to a place like this, where the railway brings grain from the west, and which is sufficiently important to require this expense, which, though appearing to be high, will have a result proportionately much greater from the point of view of general commerce."

"A. GOBEIL."

On April 6th, the day after this report was asked for, Mr. Roy had written to Mr. Gauthier, stating that the minister had accepted his offer and that the contract would be forwarded for signature. As a matter of fact, Mr. Gauthier had accepted the minister's offer.

On the 13th April Mr. Gobeil wrote to Mr. Roy, asking whether he, Mr. Gobeil, had forgotten to represent that the cost of the dredging would be \$21,000, and that a supplementary estimate for that sum should be obtained. In this way the cost had been worked up from \$6,000 to \$21,000. It is not certain how much Mr. Gauthier will receive out of the job, but if the experience of the past is any criterion it will be at least double the larger estimate. Eleven months ago he had received \$18,705 out of the Coteau vote and a large sum out of the general appropriation for dredging.

Now we take the Robillard contract. Mr. Robillard is a Montreal carpet manufacturer. The domestic incident which made him a contractor with the public works department was probably his approaching marriage to Mr. Tarte's daughter. The marriage has taken place with the contract for dredging in the pocket. Mr. Robillard writes on the matter of the Berthier dredging. There was no suggestion of calling for tenders for the Berthier work. It was offered by private arrangement like the other.

Mr. Gobeil wrote on the 23rd April, 1898, to the secretary of the department, asking him to make arrangements with Mr. Robillard to go on with the work, but to take care that the first payment should not be made until after the first of July. This would take it out of the current fiscal year and throw it wholly into the present year, ending June, 1900.

As soon as he received this letter, from Mr. Tarte, Mr. Robillard wrote a reply. In order to give it the appearance of an application instead of an acceptance, he placed on the letter the date of the 15th April, eight days earlier than the instructions of the department to make him the offer. But unfortunately the clerk was not forwarded as to this matter, and the letter was stamped on the outside, "received 26th April 1898." So the proposal of Mr. Robillard was received three days after the arrangement with him had been made. Mr. Robillard went on with the work, and at last account had received \$16,555 thereon, in addition to the amount charged to general dredging. As to the amount received by the contractor who did the work, that is a private matter concerning which the public will not be able to obtain any information.

S. D. S.

OTTAWA, May 29.—The house in committee of supply for the ordinary civil services of the country is not a very exciting object. The minister explains—if he happens to be a member of the present government—how his expenditure keeps on increasing, and points out that it could not possibly be helped. Any reference to his pledges of reform are evaded as foreign to the exact issue, and he begs the critics to explain to him how he could possibly do the work any cheaper. The critic may say that the minister should have thought of these things when he made his pledges. But this kind of discussion grows monotonous after a time, seeing that it is appropriate to every minister except Mr. Dobell and to every department. The reason it is not appropriate to Mr. Dobell is that he was a Tory until the elections showed that the grists were to be in power for the parliamentary term.

Mr. Mulock is a business minister who has done several sensational

things, but will chiefly be remembered as an inventor of geographical and postal postage stamps. In the full flush of his career as a manufacturer of stamps for collectors he had so promising a revenue that he expected before this time to make the department pay for itself. But the public taste for Mr. Mulock's philatelic products has become satiated, and his wares are no longer purchased except for use in purchasing transportation. That makes all the difference in the world in the revenue, though Mr. Mulock has studiously refrained from even making an estimate of the amount of money which has come in from Jubilee and other memorial stamps. He knows that he holds a waster income from this source than has been. He knows, unfortunately, that since the decay of the memorial stamp industry his accounts do not come so near to a balance as he anticipated.

These things have been borne in upon him, though in regard to most of the details of his department Clarke Wallace demurred last night that Mr. Mulock possesses abundant and superfluous information. Mr. Wallace developed rare powers as a cross-examiner when the midnight hour approached, and Mr. Mulock, while retaining his good nature, was obliged to correct a large number of his previous statements. For instance, when Mr. Wallace discovered that a certain official had received special favors for no particular merit, Mr. Mulock brought down the house on his eyes by stating that the officer in question is an appointee of the late government. Mr. Wallace was for the moment confused, and submitted to be laughed at with only a moderately good grace. But he pursued the enquiry until Mr. Mulock confessed that he had been misled in the matter and that the rotting man was one of his own appointees.

The postmaster general admits a deficit of nearly \$400,000. He keeps it down to that by excluding the Yukon from his calculations. There is more than that comes to. There is no particular reason why the Yukon should be excluded, seeing that it is a part of Canada and is operated in the same way as the rest. Besides, Mr. Mulock does not wholly exclude it, for he takes into the account as revenue the postage paid on mail sent from the rest of Canada to the Yukon. It is a comfortable way of keeping down a deficit to take the revenue from a particular source and exclude the expenditure belonging to it. Mr. Mulock does not explain why he does this. If he did he would probably find it better excuse than that he desired to make a comparison with other years in which the Yukon cuts no figure. On this basis, however, the late government might have excluded the Kootenays. On the same basis he himself ought to exclude the receipts from newspaper postage, which is a new source of revenue. As it is, the total deficit in Mr. Mulock's department is a good deal over \$400,000, which is a pretty heavy shortage for a minister who was going to make accounts balance before the fifth year of his reign.

Sir Wilfrid Laurier, replying to Sir Charles Tupper, has stated that the announcements concerning the commission to enquire into the election frauds will be made this week. Some interest attaches to a rumor that instead of appointing all judges of the highest court the premier will call in county court judges, which does not appear to be in accord with his own policy. In the meantime some diversion is created by the publication of the Tupper-Birmingham correspondence. There is in the party some diversity of opinion as to whether Mr. Birmingham has been properly treated in business arrangements. He has been dowered in a party organizer in Ontario by the Conservative union of that province. His claim is that the salary promised him has not been paid and that Sir Charles Tupper agreed to this undertaking, he says, has not been wholly carried out, and his letter to Sir Charles suggests that the union of the party is years behind. Naturally Sir Charles Tupper does not keep the salary accounts of the Conservative union employe and secretary, and it appears that there is some dispute as to the fact and allegation of indebtedness. It is admitted that Mr. Birmingham has been a competent and industrious officer, and his friends, who have been numerous, say that they do not know of his connection with any dishonest transaction or suggestion presented to his recent telegram to Sir Charles Tupper.

It is evident that the telegram was sent in a moment of anger. Mr. Birmingham ought surely to be a man of sufficient sagacity to know that the suggestion of a bribe on his part would not advance his cause with a self-respecting leader. His own sense of decency would in his normal frame of mind have revolted against any such proposal. He has, however, been carried away by the desire to carry out his own party by offering to carry its secrets to the enemy. If he had a claim against Sir Charles Tupper on a contract, and Sir Charles refused to acknowledge it, there were the courts of law, or a court of arbitration, if these were necessary. But the conservative leader has not been in the habit of refusing to carry out his personal contracts, and Mr. Birmingham's better way would probably have been to present his accounts and statements and evidence personally to the conservative leader.

But whatever feeling of sympathy there may have been for Mr. Birmingham among conservative members of parliament with whom he has worked, there appears to be a perfect agreement that Sir Charles Tupper was the superior in this demand for his resignation. The chief has disarmed attack by his bold and open method of dealing with the case. Not only did he refuse to have further dealings with Mr. Birmingham after the latter had stated that he refused to pay his bills, but he refused to place the liberal party or the Laurier government in possession of the history of facts which he knew as conservative organizer, but he made public the demand and the intimidation and the reply.

Sir Charles might have telegraphed to some friends in Toronto "Keep

your man low." He might have offered to pay Mr. Birmingham's expenses across the border and to subsidize him at a monthly rate of pay until the enquiry should be overpast. He might have promised him appointment as inspector of European immigration agencies in succession to his resignation. There would have been precedent for these proceedings. What he did was to invite Mr. Birmingham in the most emphatic way to tell all he knew, wherever it might do him and the liberal party the most good.

Now there is no doubt that Mr. Birmingham's case to the conservative party much harm by carrying out his threats. He has not been an organizer for eighteen years without knowing a great deal which his party would desire to have concealed. No one disputes that both parties spend money in elections contrary to law, but neither party is anxious to have it known where and in what way this money is expended. Mr. Birmingham could no doubt cause some inconvenience to his friends by explaining how the campaign funds were expended. And it is an appointee of the late organization, of strategy and tactics, which are known to an organizer, and which it is not profitable to have known to the other side. It is not convenient for an army in the field to put its officers and soldiers to the test of opposing forces and exposing its difficulties, its strong position, its weak points, its equipment, its hopes and fears, and designs. All these party secrets may be connected with perfectly legitimate methods and plans, but they are not supposed to be made public or to be conveyed secretly to the other camp.

In his reply to Mr. Birmingham Sir Charles Tupper took the largest possible risks. But he avoided a greater danger and took the course which was not only commended by wisdom but by the common sense of the first class fighting man. It is better to have Mr. Birmingham or any other member of the party proclaim to the house the worst that he knows than that a leader of a party or the party itself should enter into a treaty with him to keep silent. Mr. Birmingham had enough in the other party of keeping men low and of maintaining at party expense a community of possible informers across the border. Whatever the interest of the conservative party in the interest of the country calls for a different conduct than this, and in the long run it is in the interests of the conservative party to maintain the dignity, the good name of the country.

It must be remembered that the commission of judges is promised for a particular purpose. We have laws to deal with them. These offences are recognized and admitted by all candid men of both parties to be of long standing and of great magnitude. Every effort ought to be made to put an end to them, and there would be no better time than in the coming election for the leaders of the two parties to come to an agreement that during the coming election they would discourage and discountenance these methods.

But the issue in Huron and Brockville, the one which calls for the appointment of the commission, is not corruption in elections, but fraud in elections. It is not the purchase of mercenary votes, but the stealing of honest votes which was charged in these two elections. The issue which has been put in one of them as well as in one Ontario provincial contest. It is this new class of crime which Sir Wilfrid Laurier declares to have been carried on by organized methods that is now under investigation. If the conservative party is to be a party organizer in Ontario by the Conservative union of that province, his claim is that the salary promised him has not been paid and that Sir Charles Tupper agreed to this undertaking, he says, has not been wholly carried out, and his letter to Sir Charles suggests that the union of the party is years behind. Naturally Sir Charles Tupper does not keep the salary accounts of the Conservative union employe and secretary, and it appears that there is some dispute as to the fact and allegation of indebtedness. It is admitted that Mr. Birmingham has been a competent and industrious officer, and his friends, who have been numerous, say that they do not know of his connection with any dishonest transaction or suggestion presented to his recent telegram to Sir Charles Tupper.

OTTAWA, May 31.—The battle of the two railroad companies who want to build from Collingwood to Toronto raged fiercely in the railway committee room yesterday morning. Last week after several sittings the committee by almost a party majority passed the charter proposed by Mr. Campbell and his United States associates over that of the Toronto group. Both want to build by the same route, with the object of establishing an important transportation connection between the upper and lower lakes. It is claimed by some that this short piece of railway will so abridge time and distance that the Welland canal system will be thrown out of business in through grain traffic. This being so, the argument is made that the government should retain the right to take over the road in case it shall become the national grain thoroughfare. The Toronto company, which claims to be chiefly concerned to preserve the control of the system in Canada, offered to put in a clause stipulating that the government might at any time take over their road by paying its actual cost or value, less the subsidies. When the decision had to be made between the two concerns, Mr. Campbell agreed to the same conditions. On this understanding he carried the committee.

At a later date, when the details came to be arranged, Mr. Campbell was to have strengthened his hands with the government by placing the names of McMullen and Wood of Hamilton in the list of incorporators. These three members of parliament resisted the suggestion that the expropriation clause should provide for the payment of subsidies by the company if the road should be taken over. Finally Mr. Blair offered to draft a clause to cover the case, and the committee adjourned until yesterday to give him time to do it. Yesterday he brought in his clause, which was quite long and rather obscure to the lay mind. It was still further obscured by the minister's statement that he would not vote for it himself and did not think it was satisfactory to either party. Then Mr. Campbell submitted a clause providing that the road might

be expropriated by payment of its value as fixed by three arbitrators. Sir Charles Tupper proposed that as time until 1899 John Connor was the man with whom the government chiefly dealt. He controlled the output of steel. He controlled the output of twine for three years and was the chief manipulator of tenders, all of them collusive, by which the goods were sold.

The first thing the new government did was to sell the output without any real competition to Col Bros. of St. John. In this case Col Bros. turned out to be John Connor. The government knew it. John Connor transferred the contract to the Hobbs Hardware Company with the knowledge of the government. The government also knew that Connor and Hobbs were to be partners, and that before closing the arrangement they had bagged the whole output of the central prison of Toronto and gathered in the products of other Canadian factories, while Hobbs was the agent of the United States exporters. This was a fine money, but sold the goods at about cost, and the purchasers who were farmers paid double the price that was received from the purchasers who were combiners.

In 1899 there was no open call for tenders. H. N. Bate & Co. of Ottawa, the same firm which supplies the department of militia with food supplies for the Yukon, selling it in Ottawa at Pacific Coast prices and making the government pay the freight. The Estates grocery by trade. They put in a tender, which the minister accepted as confidential. Having received this tender, the minister issued private circulars to a dozen other people asking for offers for the goods. They were very well selected. All were grists for, and all were of the class that were not likely to compete dangerously with Mr. Bate. Regular dealers in binder twine were sedulously avoided. The parties asked to tender included Mr. Wood, M. P. for Hamilton, who does not tender without forgetting his seat; the Hobbs Hardware Company, who took turns about with Bate as partners with John Connor, and who gave Bate his chance this year; John Hallam of Toronto, a dealer in wood and hides and a prominent liberal politician; H. Morris, an active liberal and a grain dealer; Strange & Co. of Kingston, who are conservatives but never deal in twine; J. H. Ashdown of Manitoba, a defeated liberal candidate; Col Bros., who had their turn the year before and were out of it this year, as John Connor was then standing in with Bate; John Connor himself; the Farmers' Binder Twine Company, which was making twine and not buying it; Mr. Braithwaite, an inspector of anxious weeds under the government, and Mr. Bate, grocer, whose confidential tender was already in the hands of the government.

The thing happened as was designed. Mr. Bate's was the only tender, and the price he paid was less than the cost of production. Mr. John Connor was a partner with Mr. Bate in this contract, as he has himself testified and as the government knew at the time.

In 1899 there was a call for tenders, and three went in. This year Mr. Connor was not in favor with the combine. It was Hobbs' turn to get the contract, but it was necessary to go through the form of taking tenders. Mr. Bate put in one absurdly low, say three-quarters of the cost of production. Mr. Hobbs put in one which would have left him with magnificent profits and the government with some loss. This was the tender which was intended to prevail.

But John Connor was not to be frozen out in this unbecoming way. He calmly put in a tender at fair business prices far above those offered by Hobbs.

Now in some way this matter came to the ears of the Hobbs company at their home in London. It would not be right to say that the news was leaked by them, but they concluded to put in a new tender, and when they did so they adjusted their terms with such scientific precision that their offer was a minute fraction of a cent above that of Connor. This is one of the finest guesses on record. But the Hobbs people could not put in a tender in their own name when they had one in already. So they imported the name of Martin Conolly, a cousin of the well known contractor. Martin was in Canada at the time, and knew nothing of the matter, but he signed the tender and dated it at Ottawa and delivered it through the hands of a newspaper correspondent at the last hour of the last day. Mr. Martin Conolly got the contract without even knowing that he had tendered.

The solicitor general admits on behalf of Mr. Hobbs and the government that this bogus tender was put in because it became known that Connor had tendered. Whatever may be said against John Connor, the Canadian treasury saves a great many thousands of dollars by his action in this case. The last Hobbs tender gave a very fair price, and the government stands to make some money in operating the factories, whereas it would have lost heavily under the Hobbs tender that was intended to prevail. It thus comes about that Mr. Connor is receiving unlimited abuse from the solicitor general and the combine just at the time, and perhaps the first time, in which he has done the country a service in connection with these operations. While he stood in with the combine and the combine stood in with the government, and the people were made to pay a hundred per cent. profits to the contractors, Mr. Connor was allowed to handle everything pretty much as he pleased. His criminality appears to date from the time in which he began to figure as a bona fide competitor at the business prices. There are substantial reasons why the Hobbs Hardware company and the combine should think less of John Connor than when he was assisting them.

But what is the matter with the solicitor general? S. D. S.

REDUCED FOR KEEPING PLEDGE.

REXINGTON, Ont., May 26.—Corporal Bourque, "A" Field Battery, charged with subordination, declining to parade his men at the camp, he was dismissed on May 24, and sent home by Major Fages yesterday afternoon and reduced to the ranks.

Now Mr. Taylor had set forth the facts which he deemed essential. He told how the cost of twine had been increased to the farmer when the government had power to keep it down, and how that the twine had been made altogether by the favored contractors of the government. It did not affect this question to say that Connor had not paid his bills or to insist that he was not a fit man to do business with.

But Mr. Fitzpatrick laid himself open to a crushing reply. On his own statement he found in 1896 that John Connor had committed all these offences and that the previous govern-