

Our Ottawa Letter

War Supply Graft the Centre of Attraction—N.T.R. Wheat Rates Paid—Foster Considering Canadian Merchant Marine.

(By The Guide Special Correspondent)

Ottawa, April 28.—Interest at the capital this week has switched from parliament to the board room of the Railway Commission where the Meredith-Duff Royal Commission has commenced an inquiry into the Kite fuse charges. Col. J. Wesley Allison, who will be one of the star witnesses, and in regard to whose whereabouts there has been much speculation for weeks past, turned up in the capital early in the week. He is in daily attendance at the inquiry, and shakes hands with Major General Sir Sam Hughes every morning when the general arrives on the scene.

The most striking thing about the initial sitting of the commission when it met on Wednesday morning was the wonderful array of legal talent. There was nearly a score of them, and as the top-notchers get \$100 a day, or thereabouts, it is estimated that the daily cost of the inquiry in legal fees will be about \$15,000. Fortunately the people of Canada will pay for the service of only two of them, I. F. Hellmuth, K.C., who represents the government, and E. F. B. Johnston, K.C., who was nominated by Sir Wilfrid Laurier to represent the opposition at the request of the prime minister. Sir Sam Hughes has as a legal bodyguard Eugene Lafleur, K.C., of Montreal, believed by many to be the greatest of Canadian counsel, and J. S. Ewart, K.C., whose name would be more familiar to the people of the West. Hon. Wallace Nashitt, K.C., and M. K. Laflamme, K.C., are looking after the interests of the members of the defunct shell committee. F. B. Carvell, M.P., who is believed to be the real instigator of the Kite charges, is always on hand to assist Mr. Johnston, and there are other counsel "too numerous to mention."

U.S. Prices Higher

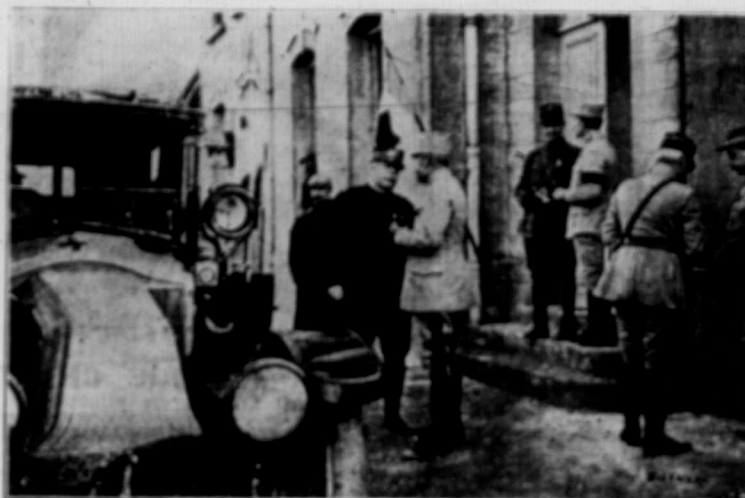
The first and only witness up to the time of writing has been Col. David Carnegie, a resident of the mother country, who came to Canada shortly after the outbreak of the war and who, on account of his special knowledge of shells and fuses, was appointed a member of the shell committee. Col. Carnegie, according to the records of the shell committee and his own evidence, was the "main spring" in that concern, altho Sir Alexander Bertram was its nominal chairman. With the assistance of Mr. Hellmuth, government counsel, Col. Carnegie has been engaged for three days in putting upon the records the history of the shell committee and the making of the contracts which are being inquired into. It must be stated that insofar as he has gone he has justified the facts mentioned by George Kite in his speech in the house. He has shown that contracts were made with two American firms, the American Ammunition Company and the International Arms and Fuse Company, in the identical terms stated by the member for Richmond. These contracts were given on May 25 last, the same day on which Messrs. T. A. Russell and Lloyd Harris, of Toronto, made an offer to manufacture fuses in Canada at a slightly lower price. The evidence showed that the Northern Electric Company, of Montreal, had also offered to manufacture at a lower figure. Col. Carnegie, who was the expert of the committee, accepted full responsibility for placing the orders in the United States without giving further consideration to the offer made by the Canadians. He said there was great urgency at the time and there was danger that options held by the American firms on machinery would expire. An interesting development was the production of a cable from the war office objecting to the letting of contracts by the shell committee to people in New York who were subletting them to concerns already in the possession of contracts from the Imperial government. The war office suggested that contracts should be let thru Morgan and Company, of New York, the agents of the Imperial government.

Questioned as to the prices paid American firms, Col. Carnegie admitted that in the case of one class of fuses a mistake had been made. When asked if Morgan and Company had been consulted as to prices in the United States he replied in the negative.

The evidence so far given confirms the allegations of Mr. Kite in regard to a heavy advance of money made to American companies. The questions of a "divvy" of \$1,000,000 between Messrs. Bussick, Youkum, Allison, et al has not yet been reached.

Six Cent Wheat Rate

The transportation of the products of



General Joffre receiving reports from his generals regarding the great Verdun battle.

Canada by rail and by water was a question which again engrossed the attention of parliament for a couple of days this week. The matter of rail transport and the railway situation generally came up in connection with the consideration of the estimates of the railway department on Tuesday. On the following day estimates of the department of trade and commerce were being voted, and the equally difficult problem of ocean transport came thoroughly under review.

Western members, including Messrs. Oliver, Turiff and Knowles, were disposed to think that the six cent rate on wheat from Armstrong to Quebec is a gold brick, because when the rate from Quebec to St. John is added it is just the equivalent of the thru C.P.R. lake and rail rate. When Hon. J. D. Reid, the acting minister of railways, admitted that the N.T.R. would carry wheat from Armstrong to Quebec and make a profit at six cents per bushel,

the western members declared that if a rate on the same basis were established right thru to St. John some real benefit would accrue to the farmers of the West.

In view of the statement made by the minister, Mr. Turiff wanted to know what the government had been doing in the way of providing proper facilities for the shipment of grain. There was an unlimited supply of wheat in the West which, according to the minister, could not have been carried at a profit by the N.T.R., but the grain was not moved and the farmers were not relieved. All that had been accomplished was to carry 8,000,000 bushels, which was only one fortieth part of last year's crop. If the government had provided the necessary equipment and facilities for carrying the wheat to St. John and Halifax the farmers would have got ten cents a bushel more for their wheat. The wheat could have been loaded into ships there and the farmers would have saved a great deal.

Hon. J. D. Reid in reply said that

the government had done everything possible. The N.T.R. was taken over in July. Seventy-five engines and one thousand cars were taken from the P.C.R. It was absolutely impossible to have engines and cars made within a few months. In addition a dozen engines were leased from the C.P.R. "I do not say," proceeded the minister, "that there is very much profit in the six-cent rate between Armstrong and Quebec, but it pays with a train load. I mean that it pays a small amount over the cost of the operation of the train."

Ocean Freight Problem

The feature of the ocean transport debate of the following day was a long speech by Sir Geo. E. Foster, explanatory of the difficulties which have been experienced by the government owing to the shortage of ocean tonnage. Sir George discussed possible solutions of

the difficulty, but did not make any practical proposals. For this he was chided by the opposition. The minister held out some hope, however, that the government might submit a plan to the house before the end of the session.

Sir George Foster said that the question of ocean transport and rates was a very knotty and troublesome one. It was a matter not easily understood by the majority of the people. As a result they were inclined to think that the government had not taken an active interest in the matter, or had not been possessed with capacity to deal with the question. The scarcity of tonnage was the key to the whole situation.

After referring at length to the various causes which have resulted in the reduction of tonnage, Sir George said it was impossible for the government to control the rates thru the subsidized service. If the government chartered or purchased a number of vessels it would not add one single ton to the carrying capacity of the world. The government could not on such vessels provide a lower rate, because by so doing Canadian producers shipping their goods on other vessels would be discriminated against.

Sir George was of the opinion that the only way in which relief can possibly be given is by bringing new tonnage into operation; that is, by building new ships. Efforts have been made to secure the construction of both steel and wooden ships. In regard to the latter an offer was received to construct wooden ships upon the payment by the government of a subsidy of \$6 a ton a year for fifteen years, or, in all \$90 per ton. It was an offer which the government could not accept. In regard to steel vessels he said that such vessels could have been built for the government at a rate of \$125 to \$135 per ton with deliveries in the latter part of 1917. Sir George frankly admitted that had the government purchased ships when the war broke out they would have earned their value many times over, but the ministers did not know that present conditions would prevail. He suggested as a possible solution of the problem the creation of a mercantile marine by the government guaranteeing for a period of ten years the difference in the cost of the construction and operation of ships in Canadian and European waters. In closing, the minister expressed the hope that the members of the house would consider his remarks as business men and make any proposals which they might think of. He closed with the expression of the hope that the house on this occasion might be "spared free wheat."

Hon. William Pugsley said that the minister of trade and commerce, while attempting to defend himself and his colleagues from the charge of want of foresight and of neglect to provide for the transportation interests of the country, had confessed that they were guilty not only of neglect but of want of foresight. The minister had admitted that when the war broke out the government had abundant opportunities to buy and charter vessels at low prices and to put such vessels into the carrying trade of the country, very much to the advantage of Canada and of the producers of the country. This splendid opportunity had, however, been neglected.

SUGGESTED PENSIONS INCREASE

The Canadian Pensions and Claims Board, sitting at Folkestone, England, made a strong recommendation in the recently published blue book, which bears the following title, "Pensions granted and money allowances made to members of Canadian Expeditionary Forces since beginning of war to February 16, 1916," for a substantial increase in the present size of the Canadian pensions. It describes the present scale as "in some respects inadequate and unsatisfactory." The board recommends that up to and including the rank of captain the pensions be increased by \$96 per annum. Thus, for total disablement, the rank and file would receive \$360 per annum instead of \$264 per annum as now, whilst a captain would get \$816 instead of \$720. For wives and children the board's figures are not materially different from the present scale.



It is important that all the moisture possible be held in the land to aid plant growth. All plowing done should be harrowed the same day. When help is scarce time can be saved by leading a spare horse behind the plow dragging a section of harrows. In this way plowing and harrowing will be done in one operation, the maximum amount of moisture will be retained, and the land will work down into proper tilth much more readily than if the harrowing is left for some later time.