

OTTAWA, NOVEMBER 15TH, 1911.

The undersigned, while in the position of Honorary President of the Canada Cement Company, unearthed a transaction, now generally regarded as traversing public morality. His first efforts were to move the Directors of the Cement Company, to endeavour to have the matter set right, but his repeated efforts were then of no avail. This is fully explained in his letter of resignation appended.

Actuated solely by a sense of public duty, he at length felt constrained to bring the matter to the attention of the Government, and with that object in view, he addressed the Prime Minister, the Honourable Robert Laird Borden, by letter dated October 25th, 1911.

To-day Mr. Borden has done him the honour to reply, and thus the writer is afforded the satisfaction of learning that it is the intention of the Government to take action almost immediately. The Prime Minister points out that the letter of October 25th raises two distinct questions. The first of these touches the right of shareholders, and to this question "ample remedy would be afforded in the courts"; respecting the other consideration, which concerns the interests of the people, the Prime Minister intimates that the Government intends to afford relief by the establishment of a new Department—a Permanent Tariff Commission, with ample powers, and that this tribunal will be in a position to make all necessary enquiry into the whole subject referred to in the correspondence.

The Prime Minister adds that the question of providing some check upon over-capitalization is now under the consideration of the Government.

The two letters above referred to follow, and other documents on the same subject are furnished in the appendix. These, taken together, supply evidence of capital having been misappropriated on an enormous scale. There are those amongst us who have been associated for half a century with large expenditures in connection with the great railways and public works of Canada, but who have never until now been brought to the knowledge of any transaction so meretricious and questionable as that alluded to in the following pages.

With the intervention of the Government obtained, we may rest assured that those associated with the wrong-doing will be frustrated in their aims, that the public interests will especially be promoted, and that the Canada Cement Company will be strengthened and placed permanently on a sound business footing.

SANDFORD FLEMING.