

OTTAWA LETTER

Blair Defends His Private Contracts With Willard Kitchen.

He Makes Contracts Without the Knowledge of the Chief Engineer and Deputy Minister.

The Grosse Isle Double Price Tariff Government System - Pleasant Tribute to Sir Mackenzie Bowell - Flatly Contradict Premier Peters of P. E. Island and Attorney-General Fugatey of N. B.

OTTAWA, May 7.—Nearly all the estimates for the current year are voted at the time of writing, but there is a little more discussion in connection with the supplementary estimates for next year, asking for more than five millions, were brought down this morning. The house is probably within a week of prorogation and it would be difficult to find a precedent where the supplementary estimates were so late. The public accounts committee is winding up its work, having had some interesting and instructive meetings, but it is painful to appear that the committee would not be allowed to discover much more than is convenient to the ministers to have the public know. Obstruction has been reduced to a fine art here, and the process of excluding all witnesses concerning the Intercolonial railway, except those employed on the road and subject to dismissal, is remarkably effective.

At yesterday's meeting some additional information was produced concerning the Grosse Isle expenditure. The manager of James Robertson and Company, of Montreal, who furnishes the same kind of goods as those purchased from this station, was examined at length on oath on a previous day, and afterwards sent a price list of goods furnished by his house. He is a much larger dealer, of course, than Harry Gaudy, who is Mr. Blair's friend, and who supplied the goods on this occasion. It is quite clear from the evidence which he furnishes that \$10,000 was paid for galvanized iron pipe and supplies which could have been bought for half the money. For instance, there is one purchase of galvanized iron pipe five inches in diameter, for which the price charged was \$1.40 a foot, whereas at the date when it was supplied Messrs. Robertson were selling precisely the same article in small lots at 73¢ a foot. For this quantity the country paid \$3,986.75, whereas the right price would have been \$1,736.36. There is another purchase of \$766 worth of larger pipe at \$3.82 per foot, when the right price was \$1.27. Another lot cost \$20.10, which should have been \$10.02. Still another was purchased at \$70.06 which was worth only \$37.72. Eighty cents a foot was paid for pipe that was worth 44 cents, and the whole consignment of pipe, elbows, flanges, etc., was charged at \$4,799.03, when the same goods could have been bought in ten dollar lots for \$2,445.28.

It is claimed by the minister that though these goods were supplied in September the bargain was made for them in February, when the price was higher. But as a matter of fact the February price would have been less than \$3,000, and there was no earthly excuse for paying February prices. The February order was filled when it was made, and in May the department wrote to the contractor stating that his order was completed and everything mentioned in it had been received, asking him for prices for goods afterwards required. It was these goods for which the country is paying \$4,800, when they could have been bought the previous February for \$2,800 and at the time of delivery for \$400. This is a comparatively small business, but it is a sample, and it appears that the same state of affairs prevails over the country generally, especially in the department of public works. For purchases of this kind Mr. Blair disdains tenders. As Mr. Kemp points out, the private price lists from two or three people, who are careful to exclude large dealers like the Robertson Company, who would make the same rates for the government that they would for private purchasers. This class of people do not hang around the lobbies looking for small contracts. And the Quebec man who supplied Grosse Isle is a person doing business in a smaller way. He gets the business of this kind by favoritism and obtains great prices for his goods. Mr. Kemp happened upon this account accidentally, and there is no reason to suppose that it differs from others.

In the commons yesterday Mr. Blair defended his private contracts with Willard Kitchen for the balance of the Murray Harbor railway. He says that the contract for the first 11-2 miles was sufficient to fix a fair price, and that the extension of the schedule rate over the whole 90 or 40 miles was given with the approval of the whole government after the matter was explained. It was hard to reconcile this answer with the statement made in the senate by the secretary of state on the 8th day of April. At that time Mr. Scott asked if any further contract had been made on the road, and stated that only one contract, and that for the first 11-2 miles, had been given. Mr. Ferguson then told him that work was being done beyond section No. 2, and Mr. Scott promised to look into it. On April 9th Mr. Scott was again asked, and he said: "I have already given the answer to that question. I have enquired of the department, and they still adhere to the correctness of the answer."

On the 14th of April Mr. Ferguson again asked "whether the work of grading now being done from Char-

lottown to Murray Harbor other than on section 2 is being proceeded with by day's labor. If not, how is this work being done?" To this Mr. Scott replied: "The answer which I have, signed by Mr. Schreiber, is that no work is being done by day's labor, nor is any work authorized by the department to be proceeded with beyond 11-2 miles."

Now Mr. Blair's statement is that at this very time Mr. Kitchen was going on with the work outside of section two on a contract which was an extension of the two contracts. Mr. Kitchen was certainly at work, but whether he had the contract then or whether he secured it afterwards does not yet appear, since somebody is evidently making an incorrect statement. After Mr. Scott had made his last quoted statement in the senate, he ascertained that it was not correct and he sent over a note written to him by Mr. Schreiber. Mr. Schreiber stated that the information that no work was being done by day's labor, was correct, but it had since come to the knowledge of the department that the contractor for No. 2 was proceeding to do work on the rest of the road and that orders had been sent to him to have that work discontinued. It was some time later that the information was furnished that Mr. Kitchen was working on the other 40 miles at the same prices as he was receiving for the first 11-2 miles.

The date of the order in council extending the contract has not been given, so far as I know, but Mr. Schreiber shows that Mr. Kitchen went on beyond his contract without consulting the department, and without the knowledge of the deputy minister or the other officers at Ottawa. Mr. Schreiber, when he heard that Mr. Kitchen was at work, ordered him to stop, but the order was disobeyed. Then it turned out that Mr. Kitchen had a contract to go on and that the whole thing was arranged by order-in-council. It must have been arranged when Mr. Scott made his incorrect statement in the senate. This goes to show that orders-in-council may be passed without the knowledge of some ministers and they are allowed to remain in ignorance of them and to deny publicly that they have been made. It also appears that Mr. Blair makes railway construction contracts without the knowledge of the chief engineer and deputy minister, and that the deputy sometimes sends statements afterwards to parliament that the contracts have not been made.

A pleasant tribute was paid to Sir Mackenzie Bowell by his friends in the senate last evening. The banquet to the opposition leader was almost purely a domestic affair. From the other house only Mr. Borden, the opposition leader, and Mr. Porter, who represents Sir Mackenzie's former constituency of West Hastings, were invited. The gathering was therefore a family one and passed off in the most agreeable way. Naturally there was some discussion of political matters, Sir Mackenzie dwelling somewhat emphatically on the preferential trade question, but the compliment paid to Sir Mackenzie was rather personal than political, still the sturdy ex-premier is regarded as a rather vigorous politician not only in parliament but in the country, and he is now carrying on in strenuous fashion the good old conservative journal of which he was editor before he entered politics, and of which he is now the principal owner. While he will never be any uncertainty and opportunism in the Belleville Intelligencer.

The statements of Premier Peters of Prince Edward Island and of Attorney-General Fugatey that the fishery award claim would be submitted to arbitration and that everything had been arranged about it, has again been contradicted, this time by the minister of finance. Mr. Fielding was even more emphatic than Sir Wilfrid Laurier. I quote his words: "There has been a somewhat hazy claim in regard to the fishery award in the air a long time, but no understanding whatever has been arrived at between this government and the provincial government of P. E. I. . . . No understanding whatever has been come to between this government and the local government upon the subject." Dr. Sproule suggested that several hazy accounts had been paid before and the same thing might happen again. Mr. Fielding resumed: "There has been no time within the past ten or twelve years when some one or other of the provinces has not claimed that it was the province and not the dominion which should have received the amount of the fishery award, and the claim is just in the same position as it has been at any time in the past. There will always be somebody in some provincial legislature who will raise the claim that the province should receive the money, and of course we cannot prevent any such contention being raised. But all I can tell the hon. gentlemen is that there has not been any understanding whatever arrived at between the government and the government of P. E. I. or any other province on the subject."

This seems to be a direct and emphatic contradiction of the statement made by the chief law officers of the two provinces. S. D. S.

OTTAWA, May 8.—When the main estimates for the coming year were brought down by the government organs announced that there was a reduction of nearly a million dollars in the expenditure as compared with the outlay for 1901. It was remarked at the time in these letters that when the supplementary estimates came it would be found that the reduction would be turned into a considerable increase. We have now the first set of supplementary estimates for next year adding between \$2,000,000 and \$3,000,000 to the amount required on current account, and bringing up the current expenditure to nearly \$2,000,000 over that of last year. But this is not all. There will be a second supplementary before the session is out, and perhaps a third. Next year when the house meets a further vote will be asked to meet unlooked for expenditure which has taken place or will take place before the fiscal year closes. Several millions have been voted this year to meet the shortage of the last session's vote, and

undoubtedly the same thing will happen again, but even without that there is a considerable excess over last year, as every year since this government came in power has shown an increase over the year before it.

And this reminds me that Mr. Blair has been playing a rather low game on the minister of public works. The claim of Mackenzie and Mann which is to be paid on this year's account amounts to \$27,000. It was incurred by the authorization of the contractors to go to work on a railway without the consent of parliament. Mr. Blair had nothing whatever to do with it, the culprits were Mr. Sifton and Mr. Blair, and it is fair to say that Mr. Blair was the main man. It was originally a Sifton deal, but Mr. Blair had to father it as it was in his department, and he had charge of the measure. But when the bill of damages comes in it appears in the estimates as "on account of public works chargeable to capital." There is no reason why it should be put down to public works any more than any other railway work, and certainly there is no reason why it should be charged to capital. There is nothing in the Yukon nor anywhere else to read this expenditure, which is a dead loss and in no sense a capital outlay. If it had been charged to income it would have reduced Mr. Fielding's surplus, which is already rapidly fading away.

The railway committee is getting more stormy as the session advances towards a close. Mr. Oliver has succeeded in heading off a Red Deer bill and obstructing the Edmonton railway bill until he has got it changed to suit him. All this means a great amount of shouting and unseemly clamor. Occasionally the committee was occupied listening to outbursts of song when members were trying to speak. Yesterday a member of Quebec and other capitalists were trying to get through a new railway project to cut across the Gulf of St. Lawrence, where the Intercolonial takes a long way around. Three or four members of parliament, including Mr. Talbot, are down in this bill as incorporators. Mr. Talbot announces that he is a sentimentalist rather than a financial promoter.

This enterprise is mixed up with the other lines Chaleur or Atlantic and Lake Superior, and certainly there has been in one form or another before the public for a dozen years, and has hatched out more scandals than any other speculation in the country. At various places on the line workmen have not been paid and men representing the contractor have been arrested and compensated before parliament gives any further privileges to the company. There are also bond holders involved and they demand that no legislation shall be passed giving bidders or contractors a preference over the now demeriting. It is only after they have taken it in good faith. Mr. Tarte and Mr. Blair have been urging delay while some of their most vigorous supporters, including Mr. Talbot and Mr. Prefontaine, if they can be called supporters of Mr. Tarte, are in a hurry for legislation. This collision of forces in the railway committee room produces the usual noise and tumult, and any stranger who should have dropped into the committee room about noon yesterday would have been struck by the strange scene in the midst of a riot. What condones to uneasiness, if such an awful racket can be described by so mild a term, is the fact that there are a number of undisputed private bills on the order paper which are called up until the controversial measures are settled. The promoters of these innocent measures get very angry over the obstruction.

Dr. Roddick's bill to provide for a good understanding among the doctors of the various provinces has got its third reading at last, and goes to the senate very much amended. The exaggerated distrust which some of the Quebec men have of any measure which seems to infringe on the power of the province has been taken up with evidence in this matter. All the doctors are in favor of this co-operation. Medical colleges strongly urge it and no human interest can possibly be injured by its adoption. The purpose of the bill is to bring into force a medical act of various provinces to work together for their mutual advantage. They desire to be able to move from one province to another, or to practice in more than one province, and to establish some system of registration to Quebec, as there were few who qualify medical men to practice in any part of Canada. The result must be in every way beneficial, raising the standard of the profession and establishing a general medical council.

It is true that the provinces have jurisdiction over medical matters, but the provinces cannot legislate for all Canada, and such a measure as this cannot originate in any province. Dr. Roddick's bill guards the autonomy of the provinces by providing that this general act shall not go into effect until each of the provinces has legislated to bring it into force. Even Mr. Lemieux, who seemed to be leading the opposition in the measure, was satisfied with this arrangement. Sir Wilfrid Laurier and Mr. Borden both supported the bill, the premier arguing that it would be the greatest possible advantage to Quebec, as there were French groups all over the dominion, and it was desirable that French practitioners educated in Quebec should be in a position to go and practise in other provinces among their compatriots. But after Mr. Lemieux was silenced by these concessions Mr. Fugatey rose and said that he was reading he forced the measure to a vote and succeeded in getting 16 of his compatriots to vote for a six months' hold. As there were not 30 French members in the house at the time Mr. Bourassa succeeded in controlling more of his fellow countrymen than the three French speaking ministers who supported the measure. Every minister of the crown in the house voted for the bill.

Mr. MacLaren of Perth, Ont., is very well known throughout Canada and many other countries by reason of the MacLaren cheese. In parliament he is also known as a man of force, who sets himself to work on large propositions and works them out with great care. He has not said much this session, but took opportunity yesterday to lay before parliament his views as to the transportation problem. Mr. MacLaren says that Canada exported last year about \$40,000,000 worth of butter, cheese and bacon. It cost over a million dollars more to send these goods to England than it would have cost if they had been produced in the United States at the same distance from the seaboard. Another million dollars was lost for the want of proper cold storage on cars and steamers. This \$2,000,000 was taken out of the pockets of the farmers, and the loss is increasing every year as the country develops and the demand increases. The member for Perth has a theory that the question of transport would be best solved by the establishment of a line of large steamers to ply between Lake Superior and large centers on Georgian Bay. From Georgian Bay to Lake Ontario he would either use a rail route or one of the waterways that are projected. Mr. Tarte of course swears by French River, and other members pin their faith on the Ottawa River route.

Mr. MacLaren would have a line of steamers from Toronto to the St. Lawrence with good facilities at Montreal and a first class line from that place to Europe. For summer business he would establish an inland transportation route, a small draft plying between Lake Ontario and some Nova Scotia port carrying produce to the Nova Scotia depot for shipment to England and from the Nova Scotia port to the west, transporting coal from an extensive European goods as might be brought to the depot for re-shipment. Mr. Bell (Plouffe) is considerably interested in this project, and spoke strongly in favor of it.

Mr. MacLaren put his views into the form of a motion, setting forth the facts of the case. The latter part of his motion reads: "Whereas it is in the interests of the dominion at large, in view of the economy of water transportation, that use shall be made of our waterways between Lake Superior and the seaboard, thus affording a route for our exports from the western territory and Ontario and the development of intercolonial trade; and whereas the government shall at once inaugurate such a policy in connection with our waterways and the shipping industries as will speedily lead to the completion of a Canadian system of both inland and ocean transportation; and whereas the minister of public works has proposed a resolution as an amendment to supply, asking the government to take up the question of the cattle embargo, and the government has accepted it, and the committee reported that the collapse of the Webb-Meyer syndicate, and this bridge bill seems to have been dropped.

Next we find Mr. Prefontaine advocating the subsidy which Mr. Bickerdike and others in Montreal, some of their rich men, are supporting with their names. Wise men have come to see that the appearance of a rich man's name in connection with a railway charter does not imply an investment. Mr. Webb, who had a Vanderbil flavor about him, and was president of about six companies concerned in Canadian enterprises, had no money in them, as he now declares. When Canadian politicians quoted him as a capitalist interested in Canada they were leading people astray. Those opposed to the subway bill got some comfort from Mr. Tarte who at first threw cold water on the enterprise, but afterwards expressed himself satisfied with certain amendments that were put in the bill. Dr. Sproule and Mr. Ball were not yet reconciled. Dr. Sproule says that a subway would be no particular benefit to the people in the south of the St. Lawrence who want to get their goods to market, but would not feel like walking or driving their carts through five miles of tunnel. He urged that the subway will cost so much that it will prevent the construction of the bridge which is very much needed.

Dr. Sproule's argument may have been very good, but his chief virtue as an attack on the measure was his temper. It continued until ten minutes to nine, and at nine o'clock the committee would rise. The remaining ten minutes had been assigned apparently to Mr. Georges Ball. Mr. Ball is a lumber merchant at Nicolet, who is classed as a French Canadian, but is Scotch on the paternal side. This is his first parliament and he was selected for distinction by appointment as the conservative whip for the French Canadians in the house. His duties in that capacity were to keep Mr. Monk, Mr. Morin and Mr. Casgrain in line. The election of Mr. Leonard added one to the number, and Mr. Ball thereupon resigned the onerous duties in favor of the new member for Laval. But he made a very funny ten minutes speech in which he set forth at length Mr. Prefontaine's connection with various companies, and observed that the ex-mayor had bought a number of Armstrong's liabilities at one cent on the dollar and tried to exploit certain companies on the strength of it. Mr. Armstrong occupied a seat in the gallery and seemed to be somewhat entertained by the proposition, but the subway was talked out, and it was passed this morning.

Mr. Tarte expanded to the committee of supply the Quebec end of his scheme about transportation. He has great hopes of Quebec as a summer port and is investing public money quite heavily therein. It is pretty well known that the Quebec docks were built by the harbor commissioners, and that port with a dominion government guarantee, and that the burden rests upon the dominion, which has had to pay the interest for a number of years. Mr. Tarte explains that this breaker has been moving and requires to be strengthened. Besides he is going to run out a new embankment, estab-

lishing a new harbor, which Mr. Morin says will only hold two ships at once; it will cost a million dollars. This is to be a straight charge on the dominion, though it appears to be just such a work as the private docks and wharves at Halifax and the Sand Point facilities at St. John. Mr. Tarte proposes to work at it for two years and hopes that Quebec may then be in a position to accommodate the fast line steamships. It ought perhaps to be stated here that Mr. Tarte is asking for \$500,000 for St. Lawrence navigation to be spent this year in addition to this Quebec vote. The other end of this enterprise is Fort Colborne, on Lake Erie, at the western end of the Welland canal. For this Mr. Blair is asking in the main estimates for \$300,000 and in the supplementary estimates for \$145,000. It is pretty hard to distinguish between Mr. Blair's operations at Fort Colborne in connection with the canal and Mr. Tarte's in connection with the harbor which forms its entrance. But Mr. Tarte is asking, in addition to Mr. Blair's vote, for \$100,000 in the supplementary estimates and \$220,000 in the main estimates. When the whole thing is completed several million dollars will have been spent around this fresh water harbor.



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One effect of the legislative stampede is the appearance of twenty or more titles of private bills on the order paper after all the private members' days are gone. Some of these are important measures for the incorporation of companies or the reviving of charters. It was found necessary to set aside another day or a part of two days to get clear of this business. This forenoon was added to the private members' allotment.

But before this was done the members in charge thought that yesterday's one hour after dinner was all they had left. At the top of the list was the Montreal subway bill, which its promoters were anxious to get through, while the other nineteen were equally desirous of having the way cleared. But the house was not unanimous about the subway, and at this stage in the session a single dissenter as good as a hundred would be in March. There were many objections to the road under the St. Lawrence, even if it had not been mixed up with the C. N. Armstrong enterprises, and were not involved in the strained relations between Mr. Tarte and Mr. Prefontaine. The ex-mayor now wants the subway bill to go through. He first supported a bridge bill of Mr. Armstrong's, which would be a competitor to the tunnel scheme. That was abandoned by Mr. Prefontaine, who in the committee opposed and killed the measure which stood in his own name. He next took hold of the second bridge scheme, of which the incorporators were the New York people now famous members of the Dominion Securities Company. The alliance of Mr. Prefontaine with Dr. Webb's company seemed promising until Mr. Blair and Mr. Tarte opened fire in the committee by repudiating their New York friends and suggesting investigation of their responsibility. Before the committee reported came the collapse of the Webb-Meyer syndicate, and this bridge bill seems to have been dropped.

Mr. Tarte and Mr. Blair seem to be working a good deal at cross purposes, and occasionally in the railway committee it is difficult to say which has the responsibility in regard to any particular enterprise, such as for instance, as the Ottawa River and Georgian Bay canal. The Trent canal, which is a kind of waterway connecting a series of lakes, is under charge of Mr. Blair, but the French River navigation is of the same character. There is the same kind of confusion between Mr. Tarte and Mr. Mulock. The postmaster general established a system of mail delivery in Toronto by locomotives, as he called them. They have been discontinued, and the mechanical machines were broken to pieces. These locomotives are said to be one-third of the time in use, one-third in the ditch, and the other third in the repair shops.

But a peculiar feature of the matter is that the expense of repairs is charged to the department of public works, and several thousand dollars which has been wasted and which ought to have been an addition to Mr. Mulock's deficit, is unloaded upon Mr. Tarte's department. Mr. Tarte explained to the house in a most candid way that Mr. Mulock set these machines to work when Mr. Tarte was away to Europe, implying that if he had been home he would have taken Mr. Mulock by the throat and restrained him. Mr. Mulock also has a convenient way of getting his mail carried into the Yukon by the mounted police and charging it up to the expense of that department, while he turns in the revenue as the income of his own department. The postmaster general is evidently an accomplished financier. In private life these methods would have made a man rich if there were no courts of justice in the country.

The affair of Judge Dugas and the janitors and matrons who have been waiting upon his household at public expense was further ventilated this evening. Mr. Tarte explains that the judge was living in the court house, and therefore had some right to claim the services of these men servants and handmaidens. Mr. Borden hardly sees it in that light, since the judge is paid a large salary and has been getting some eight or nine thousand dollars a year of living expenses besides. It seems that Mr. Tarte's officer ordered these public servants to wait upon the judge in a servile and domestic capacity. Mr. Tarte does not explain why this order was given, and in spite of Mr. Borden's humorous reflections upon his want of information, the minister refused to be further informed, but repeated the declaration, which has become so familiar in the last five years, that it will never happen again.

Mr. Gourley thinks it is time this whole Yukon expense business was investigated. He is getting a little tired voting salaries larger than are paid elsewhere, and then supplying the public officers with dwelling houses and paying them living allowances enough to keep two or three families. Now that direct communication is open to Dawson, and prices are getting down to a reasonable basis, he does not see why a judge who receives about double the salary that a magistrate of the same standing in the east would get should also get \$5,000 a year living allowance. Mr. Belcourt, who figures on his professional cards as a sort of parliamentary agent for Yukon enterprises, insists that it costs five times as much for everything at Dawson as it does here. Dr. Sproule with a Dawson paper and price lists was able to show that he was quite wrong and that the tradition of the excessive prices has been handed down from a time when the country was almost inaccessible. S. D. S.

Children Cry for CASTORIA.