

THE CARSLAKE HOTEL PURCHASE.

The Exchequer Court of Canada on September 7th rendered judgment in the matter of the Carslake Hotel property in Montreal which was expropriated by the Federal government some months ago. The property is designed for use as a postal sub-station in Montreal, and faces on St. James and Windsor streets, opposite the Bonaventure station. The valuation set upon the property by the Exchequer Court is \$288,750. In view of the fact that the Dominion Government, through the Department of Public Works, of which Hon. Robert Rogers is the head, actually offered \$325,532 for the property, or nearly \$40,000 more than it was worth, and also in view of the fact that this offer was made only after protests in Liberal newspapers and in the House of Commons had shown that the owners were asking over \$700,000 and had reduced their demands because of this unwelcome publicity on the deal, a brief interview of the whole affair should prove of interest.

Negotiations Started in 1913.

A sessional return produced in the House dated April 1st, 1915, shows that the purchase of the Carslake Hotel property for a postal station was first recommended in November, 1913. Evidence before Mr. Justice Audette in the Exchequer Court shows that during the negotiations, the owners of the property first asked \$712,330, that they later modified this demand to \$654,030. The departmental return shows that still later, after some details of the pending deal had become public through the press, the price was again lowered to \$407,880. This was apparently the state of affairs when the Department of Public Works made a formal offer of \$325,532, which the owners declined. The property was then expropriated to the Crown, the price to be set by the Exchequer Court, and in the meantime payments on the purchase price were made by the Government amounting to \$220,000. The sum of \$175,000 was paid about August 18th, 1914, and a further sum of \$45,000 was paid about November 23rd, 1914.

Property Sold for \$90,000 in 1910.

Records of the registry office in Montreal show that this property was bought in 1909 by G. T. O. Carslake from McGill University for \$75,000. On December 1st, 1910, Mr. Carslake leased the property to H. A. Dorsey, the lease containing an option of purchase which was taken up on December 15th, 1910, in the name of the Carslake Hotel Company for \$90,000 cash. Dorsey, it later appeared, was secretary of the Carslake Hotel Company and accepted shares of the company in payment of his rights under the lease and option.

It is thus plain that in 1910 the fair value of the

property, as demonstrated by the sale, was \$90,000. In 1913, when the Department of Public Works commenced negotiations for purchase, the price mentioned was \$712,330.

In the House of Commons on March 20th, 1914, Hon. Rodolphe Lemieux made the first public enquiry regarding the deal. On April 6th, 1914, Hon. Robert Rogers, answering the enquiry of Hon. Mr. Lemieux, declared that **no offer had been made for the property by the Government prior to notice of expropriation.**

Government Offered \$325,000.

But an order-in-council dated February 20th, 1914, authorized that \$325,532 "be the amount tendered for the property," and other letters on the departmental files show that this amount of \$325,532, cash, was actually tendered to the Carslake Hotel Company, Limited, at Montreal, on April 15th, 1914, and that it was refused by H. A. Dorsey on behalf of the company.

Court Says Value is \$288,000.

The property which the Government was willing to pay \$325,532 for is found by the Exchequer Court, to have been worth only \$288,750. In other words, the Government was willing to throw away nearly \$40,000 of the people's money, and this even after they had been warned on the floor of Parliament that they were being held up for an excessive price. The question why they were willing to do this will probably never be answered.

DIARY OF THE MONTH

1915.
August.

- 4 ST. DENIS, (Montreal) LIBERALS, in convention, nominate ALPHONSE VEREVILLE, present Labor representative in Maison-neuve.
- HON. RODOLPHE LEMIEUX and HON. W. T. WHITE address patriotic mass meeting on campus of McGill University, Montreal.
- 6 MANITOBA PROVINCIAL GENERAL ELECTION, results in return of 39 Liberals, 5 Conservatives, 2 Independents, with three elections deferred.
- 7 PUBLIC DEMONSTRATION in honor of SIR WILFRID LAURIER at St. Lin, Quebec, the birthplace of the Liberal Leader. Gathering of 8,000 people addressed by SIR WILFRID LAURIER, HON. RODOLPHE LEMIEUX, HON. SYDNEY FISHER, Mr. P. A. SEQUIN, M.L.A. and Mr. WALTER REED, M.L.A.
- 12 SIR WILFRID LAURIER addresses two mass meetings at SHERBROOKE, Que., in interests of recruiting.
- Recruiting meeting at Bedford, N.S., addressed by Mr. A. K. MacLean, M.P. (Halifax), Sir Fred. Fraser and others.
- WEST LAMBTON, (Ont.) LIBERALS, in convention at Sarnia, nominate the sitting member, F. F. PARDEE, M.P. Convention addressed by HON. GEO. P. GRAHAM and A. B. McCOIG, M.P. (West Kent).
- 14 Recruiting rally at Cedar Glen Park, Ont., addressed by HON. GEO. P. GRAHAM and others.
- 16 Recruiting meeting at Lindsay, Ont., addressed by HON. GEO. P. GRAHAM and others.
- 18 Public meeting at Summerside, P.E.I., addressed by SIR GEORGE FOSTER.
- 19 Recruiting meeting at Bedford, Que., addressed by HON. SYDNEY FISHER and others.
- 27 Recruiting Rally at Scarborough Beach, Toronto, addressed by HON. GEO. P. GRAHAM and others.
- 31 SIR RODMOND ROBLIN, HON. Dr. MONTAGUE, HON. G. R. COLDWELL and HON. J. H. HOWDEN, former cabinet ministers in Manitoba, surrender to authorities at Winnipeg to answer criminal charges arising out of Parliament Buildings scandal. Admitted to bail on charge of conspiring to defraud.

THE CANADIAN LIBERAL MONTHLY

Issued by THE CENTRAL INFORMATION OFFICE of the CANADIAN LIBERAL PARTY

Hope Chambers, Sparks St., Ottawa, Ont.

Subscription, \$1 per year.

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