SHELL CONTRACTS IN CANADA

The refusal of the Borden Government to grant an investigation into the work of the Shell Committee except as regards certain American contracts has added rather than detracted from general interest in the volume of evidence adduced by Opposition speakers in support of the formal motion of Sir Wilfrid Laurier for an open investigation. A summary of some of the more important points brought out in the debate in the House of Commons in the past month will indicate once more the weight of the charges made.

Committee Members Were Buyers and Sellers.

One of the chief criticisms levelled against the Shell Committee was that several of its members, who were interested in manufacturing companies which received huge contracts, were therefore in the anomolous position of being both buyers and sellers, and that in giving to their own companies such contracts at unduly high prices, the Committee could not do otherwise than give similarly high prices to all other contractors. This was proved beyond the question of doubt by Mr. F. B. Carvell in his speech in the House on March 7th. The information he gave may be summarized:

John Bertram & Sons, Ltd., of Dundas, Ont., received contracts amounting to over $1,300,000. General Alexander Bertram, who was Chairman of the Shell Committee, was Vice-President of the John Bertram & Sons Co., Ltd.

The Canadian General Electric, of which Mr. G. W. Watts is head, received contracts of over $1,000,000. Mr. Watts was a member of the Shell Committee.

The Electric Steel & Metals Company of Welland, of which Mr. E. Carnegie is Secretary-Treasurer got contracts for some $1,800,000. Mr. Carnegie was also a member of the Shell Committee.

The Nova Scotia Steel Company, of which Col. Thomas Cantley is the head, secured orders of all kinds amounting to over $15,000,000. Col. Cantley was also a member of the Shell Committee.

The Universal Tool Steel Company, a company known to be owned and controlled by Mackenzie & Mann got orders amounting to some $1,700,000 and Mr. Carvell adduced proof to show that they received their orders through the intervention of Sir Sam Hughes himself.

Mr. Carvell proceeded to show that the records of the Shell Committee indicated that political influence had much to do with the awarding of contracts and instanced particularly the case of the Sheet Metal Products Company of Toronto, which received contracts amounting to some $300,000. He found that the President and Secretary of this company was Hon. A. E. Kemp, a Minister without portfolio in the Borden Government, who is Chairman of the War Purchasing Commission.

Prices for Shells were Abnormally High.

Mr. Carvell then dissected the prices paid by the Shell Committee in the early months of its work. Taking the price for 18-pound shrapnel, which Sir Sam Hughes said was placed first at $8.55 by the experts of the Militia Department "with the assistance of machinists and large steel manufacturers," he showed that this same shell was bought by the Militia Department previous to the War for $3.15 from the British firm of Armstrong, Whitworth & Co. Proceeding to the 4.5 high-explosive shells, he quoted the statement by Sir Sam Hughes that the Shell Committee had paid in Canada for these shells $10.45 for the first lots, and that the price in England at the same time was $10.33. Then he showed from the details of the price paid for the first lots of shells that the price paid by the Shell Committee was not $10.45 but $13.37. Sir Sam Hughes had added that later on, in December, the price for these shells was $7.45.

Sir Sam's Prices were Inaccurate.

Mr. Carvell showed that at that date the actual price paid was $8.95, just $1.50 more than the Minister of Militia said. Again, Sir Sam had said that the highest price ever paid for 4.5 forgings was $4.25, while the price in England was 18s. 6d., or $4.50. Mr. Carvell showed that in February, 1915, the Shell Committee paid $5 for $180,000 of these forgings. Later on, Sir Sam had said, the price for these forgings dropped to $2.95. Mr. Carvell found that ten days after the Shell Committee let a contract for 4.5 Howitzer shells to Drummond, McCall & Co., who sublet the contract in the United States, the Shell Committee gave contracts to a company represented by one of their members, not at $2.95 but at $4.25. Proceeding to a number of other types and sizes of shells, Mr. Carvell showed that the prices quoted by Sir Sam Hughes were equally inaccurate and that in every case the actual prices paid in Canada were higher than the English prices quoted by the Minister.

Deliveries Less than Claimed.

As to the quantities of shells actually manufactured and delivered, Mr. Carvell took the statement of Sir Sam Hughes that "since the beginning of the business the Canadian Shell Committee has turned out in Canada 22,000,000 shells," which he answered with the deliberate statement:

"I want to say that they have not turned out 8,000,000 shells: they have **given contracts** for 22,000,000, but they have not turned out half that quantity. The Minister can figure it out and he will find that I am away above the mark when I put it at 8,000,000."

Summing up his argument that the prices paid by the Shell Committee were such that investigation was called for, Mr. Carvell stated that while he was convinced that shrapnel shells could be contracted for in Canada at $1.35, if the orders could now be given, he found that **the average price paid by the Shell Committee for the 5,500,000 shells delivered was $3.50 each.**