War Patriotism and Graft

By H. E. M. Chisholm

War graft on a scale large enough to shock the public mind was proven before the Public Accounts Committee during the session of 1915. Investigation was made into the purchase of a limited number of articles needed for the use of the Canadian Expeditionary Forces, and in nearly all cases irregularities, varying in degree of seriousness, were proven. As a result two members of the Dominion parliament were forced to resign their seats, and their constituents are now unrepresented in the Commons; several individuals were constrained to disgorge part of the profits which they had made, and the country is awaiting the findings of a royal commission on a number of supplementary enquiries. The purchases investigated by the Public Accounts Committee totalled in value little more than $3,000,000 of the $50,000,000 then spent. They included horses, drugs, surgical dressings, motor trucks and automobiles, binoculars, bicycles, ''shield'' shovels, housewives, jams, and submarines, while in addition to these a special committee investigated the supply of boots to the first Canadian contingent and to troops in Canada. As a result of the rake-offs proven on these articles alone it is estimated that the Dominion lost $125,000.

Such profiteering at that time was considered serious enough to arouse real public indignation. But the country has now got a new perspective. Nobody talks of thousands any more when war profits and war graft is mentioned. The revelations of the 1915 session are now looked upon as the pettiest kind of petty larceny. Charges now must be up in the millions before they cause a ripple. Just to illustrate: The Public Accounts Committee this session undertook to enquire into over-classification charges on dredging work at Victoria in which something like $80,000 was involved. Before this war this sum would have formed the basis of a first-class scandal and the committee would have been crowded at all its sittings. This session, however, not more than a dozen members attended at any one time; the press published the stuff on inside pages under small headings, and the man on the street paid no attention to it. Such trifles weren't worth mentioning.

The real investigation of the session just ended involves the expenditure of something over $22,000,000. It was intended by the opposition that a much larger sum should be involved; that, in fact, the whole disbursements made by the late Canadian Shell Committee, totalling something in the neighborhood of $350,000,000, should be taken under consideration. But after a long and strenuous fight the best they succeeded in doing was to have fuse contracts totalling $22,000,000 referred to a royal commission for enquiry and report. And the Meredith-Duff Commission is now engaged in the work with the assistance of a battery of legal men representing all sides.

Incidentally, it may be noted, the Davidson Commission is now engaged in probing the circumstances surrounding the sale of three million rounds of defective small-arms ammunition by the Militia Department to the British Admiralty, thru Col. J. Wesley Allison, who also figures in the fuse contracts. The amount which the Dominion is supposed to have lost in the ammunition transaction is something in the neighborhood of $45,000—another trifle!

History of Canadian War Scandals

A brief history of Canadian war scandals to date may be of interest at this juncture. The lesson to be drawn from this history—apart from the immorality of making money from the nation's agony—is that party patronage and party middlemen constitute a real curse to public business in the Dominion. Investigation was first based on complaints by the auditor-general concerning the making of purchases without order-in-council; the letting of contracts without tender; the purchase of goods, not from wholesalers, but from retailers and middlemen; and the failure in many cases to produce vouchers of goods bought. After considerable pressing by the opposition, it was decided to submit to the Public Accounts Committee such purchases as were included in these specific complaints.

One of the outstanding cases was that of the purchase of horses in King's County, Nova Scotia, tho in the investigation of this the question of all the horses bought for the first contingent came up. Of a total of 8,164 horses purchased for the first contingent at an average of $172.45 each, 481 were afterward sold at auction at Quebec at an average price of $53.74, making a loss of $57,100; while 151 are still unaccounted for, making a loss of $26,039. This makes a total loss to the country on this horse deal of $83,139.

The King's County case may be taken as an example of how the buying was done in the Maritime Provinces, at least. A. Dewitt Foster, the member for the county, undertook the work of buying there. He chose as his helpers Messrs. Keever and Woodworth, two mining magnates from the south; G. H. Oakes, secretary for the Conservative Association of the county, and some others, and armed with a government deposit of $72,000 he proceeded to buy. From the evidence given by a number of the horse dealers, everything but good horses was bought. But the total amount of the deposit was spent. When enquiry was made there were no vouchers to show what had been paid to the farmers! Mr. Foster stated at the investigation that Woodworth and Keever had taken the vouchers with them when they went home to the States.

Following the hearing, the committee recommended as follows: ''Your committee are of the opinion that the evidence respecting the purchase of horses in Nova Scotia discloses circumstances of such an unsatisfactory character that further investigations and action are necessary, and they recommend that the said evidence and all documents be referred to the Department of Justice, with instructions to make such investigations and to institute such prosecutions and to take such proceedings as may be found necessary to protect the public interest.'' And in the house later Sir Robert Borden said: ''I regret to say that the evidence—Mr. Foster's own evidence—convinces me that he did not have regard to that duty in the way in which I think the parliament and people of the country might have expected him to perform that duty.'' Mr. Foster resigned. The Davidson Commission took up the investigation last summer, but no report is yet forthcoming. And everybody connected with the transaction is still at large!

Clerk Makes $9,000 on Field Dressings

The next case was that of the purchase of field dressings for wounded soldiers thru W. F. Garland, then M.P. for Carlton, Ont. The government wanted these dressings, and a representative of the wholesale firm of Bauer and Black, Chicago, went to see Col. Jones, of the Militia Department on the matter. He was prepared to sell the dressings at the wholesale price, but was told that ''the government would not do business direct with the company.'' So a clerk in Garland's drug store in Ottawa was chosen. He was then receiving a salary of $15 per week, but he swung—or his employer swung—a contract totalling $41,000 from the Militia Department. The dressings were purchased from Bauer and Black, and then resold to the government at a profit of 30 per cent., or something in the neighborhood of $9,000. Garland at first contended that Powell was the contractor, but later admitted that he was only a dummy. The Public Accounts Committee turned in the following report on the transaction: ''Your committee begs to report that, in its opinion, the manner in which the supplies were purchased does not appear to have fully protected the public interests.'' The committee then advised that the matter be referred to the Department of Justice. Speaking of the matter in the house, Premier Borden said: ''Mr. Garland had in his employ this young man who was devoting 12 or 14 hours a day to his duties and who was receiving $75 per month. He not only permitted, but he encouraged and assisted that young man to make a contract with the government under which, within a few weeks, he acquired a profit of $9,000. I cannot for one moment give my sanction or approval to a transaction of that nature because, to say the least, it is bound to arouse the gravest suspicion.''

Mr. Garland did not resign immediately, and it was only after the Davidson Commission had further investigated that he withdrew, admitting the charge. Part of the profits were disgorged. Since then, however, it has been rumored that both Garland and Foster intend making a bid for the confidence of their former constituents at the next election!

Further heavy middlemen's profits were proven to have been made in connection with drugs supplied the forces at Valcartier by Madame Flamondon, sister of Mr. Speaker Sevigny. Profits in this connection ranged from 25 to 200 per cent. over the wholesale prices at which the government could actually have obtained the drugs.

Many Share in the Binocular Deal

There were half a dozen middlemen connected with the supply of binoculars to the government. The Militia Department was offered Bausch and Lomb high power glasses for $45 each. But they didn't choose to take the offer, and glasses found their way to the department thru the following devious channels: Bausch and Lomb, the makers, sold them to a New York broker named Milton Harris; Milton Harris sold them to Sam Bilsky, an Ottawa jeweller; Sam Bilsky sold them to T. M. Birkett, another Ottawa dealer; T. M. Birkett sold them to the P. W. Ellis Co., of Toronto, and the Ellis Company sold them to the government. The glasses which were a mixed lot, costing the original middleman $30 each, cost the government, after all the

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