

WAR CONTRACTS—*Con.*

nearly 8,000 men, and that they have invested in plant, machinery, and materials fully \$6,000,000, 2975. I have not yet found in the speech of the hon. member any statement that is correct, and I will just correct a few of his misstatements en passant, 2976. Allison referred to, 2976-8. And now, if my hon. friend the member for Carleton, N.B. (Mr. Carvell) will permit me, I shall refer to his summary at the conclusion of his address, as containing all that is worthy of comment or recognition in his remarks, 2978. The manufacture of shells and fuses and prices referred to, 2979-80. There was another point made about the division of profits. I know nothing about that, and I do not know that anybody else does except what can be learned from the contract which was purported to be read by the hon. member for Richmond (Mr. Kyte). I am assured that, when the hon. member stood up in his place in this House and professed to read from an agreement, he knew there was no such agreement in existence. He goes on to speak of the various companies concerning which I know nothing, 2981. Then he speaks of another deal concerning 140,000 rifles, known as the Allison Southern rifle deal. It will be found that this was even more visionary than the first one, 2992. Not one dollar has ever been received or ever will be received. And yet a gentleman, representing a free constituency in the Dominion of Canada, knowing that he had no data whereon to make these statements, stands up here and makes to this House and this country these abominable misstatements, 2993. When in England I read an extract from a German paper relating to present conditions. The Germans claim that since the outbreak of the war they have added a population of 55,000,000 to their domain, 2984.

Laurier, Sir Wilfrid (Quebec East)—2985.

I have to express my regret that he did not think it advisable to refer also to a contract which has been brought forward prominently in the press with regard to the disposal of small ammunition. It has been alleged in the press that his department has sold fuses and cartridges, manufactured by the Government for the benefit of the country, to a private firm. This matter is in the air to-day, it is demanding attention, and I am surprised that my hon. friend did not refer to it, since he chose to go into other matters than this one, 2895.

WAR CONTRACTS COMMISSION.

Inquiry—Mr. Macdonald, 9213.

WAR LOAN—\$250,000,000.

House in committee on following resolution:

1. That it is expedient to provide that a sum not exceeding two hundred and fifty million dollars (\$250,000,000) be granted to His Majesty towards defraying any

WAR LOAN, \$250,000,000—*Con.*

expenses that may be incurred by or under the authority of the Governor in Council during the year ending the 31st day of March, 1917, for:

- (a) The defence and security of Canada;
 - (b) The conduct of naval or military operations in or beyond Canada;
 - (c) Promoting the continuance of trade, industry and business communications, whether by means of insurance or indemnity against war risk or otherwise;
 - (d) The carrying out of any measures deemed necessary or advisable by the Governor in Council in consequence of the existence of a state of war; and
 - (e) Payments made for the said purposes during the fiscal years ending respectively the thirty-first day of March, nineteen hundred and fifteen and the thirty-first day of March, nineteen hundred and sixteen, in excess of the amounts authorized by the War Appropriation Act, 1914, and the War Appropriation Act, 1915.
2. That the Governor in Council be empowered to raise by way of loan, temporary or otherwise, such sums of money as are required for the purpose of making any payment authorized by any Act founded on these resolutions.
 3. That the principal raised by way of loan under this Act and the interest thereon shall be chargeable on the Consolidated Revenue Fund.—Sir Robert Borden, 3233.

Borden, Sir Robert (Prime Minister)—3233.

Explanation of resolution given. If we compare the organization which the Department of Militia and Defence has been thus called upon to undertake, with the military organization of the whole Empire before the war broke out, we shall have some adequate idea of the burden and the responsibility imposed upon the Government of this country, and especially upon the Minister of Militia and Defence, and the officers of his department, 3233. At the same time, considerable work is still involved in connection with many matters, such as the discharge of minors and American citizens, the bringing back of non-commissioned officers and men from England to Canada for discharge to take commissions, etc., 3235. The work of the assistant Adjutant General and medical branch referred to, 3236-8. The record office and duties of the Quartermaster General alluded to, 3239-42. At the outbreak of war in August, 1914, there was a Permanent Force of 3,000 troops, and the total Militia expenditure was at the rate of nearly \$12,000,000 a year. There are at present 300,000 troops in the field, and the expenditure has increased to \$250,000,000 a year, 3242. There is a great deal more information of a similar character with regard to all branches of the Department of Militia and Defence, but I have given enough to make hon. members realize the very great magnitude of the task which has devolved upon