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THUNDER TONES IN MANITOBA.



The cry from every individual that one meets, and that understands the condition in TONES LOUDER THAN THUNDER, demanding that this Parliament be dissolved that the rights and liberties of the people of this Dominion be granted to them in form of Democracy.—HON. ROBERT ROGERS in House of Commons, April 10, 1915.

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MANITOBA PROVINCIAL ELECTIONS.

THE provincial elections in Manitoba on August 6th resulted in a victory for the Norris government which practically swept the Conservative organization in that province out of existence. With three deferred elections to be held, the standing of the Legislature will likely be Liberals 42, Conservatives 5, Independents 2. Fifteen Conservative Candidates lost their deposits.

Greatest Popular Majority in History of Province.

The Liberals carried the province with what is said to be the greatest popular majority in the history of provincial elections in Canada, no less than nine Opposition candidates losing their deposits. The few seats lost were all on close votes. The tremendous increase in the majorities in seats which went Liberal in 1914 and the equally remarkable turnover in seats, many of which went Conservative by considerable majorities a year ago, showed undeniably just how thoroughly public opinion had been aroused to the enormity of the offences against good government and public decency by the Conservative machine Government of the past fifteen years.

Prestige of Federal Ministers Failed.

All of the prestige of the Federal Conservative government in Manitoba was brought to bear on the contest by Hon. Robert Rogers who was personally in Winnipeg throughout the greater part of the fight directing the remnants of his once famous Manitoba machine. The Hon. Arthur Meighens, Solicitor General and Hon. Dr. Roche, Minister of the Interior also took part in the campaign. The enormous popular majorities in Winnipeg and close by constituencies against the Rogers-Aikins candidates showed plainly how complete was the revolt of the people of Manitoba against Roblinism and Rogerism. Sir J. A. M. Aikins, who resigned his Federal seat in Brandon to lead the fight for Rogers as head of the so-called "reconstructed" Independent

Liberal-Conservative Party, went down to defeat in Brandon at the hands of S. E. Clements, a young Liberal who ran up a majority of close to 700 in spite of the frantic efforts of the Conservative Federal machine. W. H. Sharpe, who resigned the Federal seat for Lisgar to enter the contest as first-lieutenant to Sir James also suffered decisive defeat in his own home constituency, a circumstance which added fresh bitterness to the pill which Hon. Robert Rogers was forced to swallow at the hands of an outraged electorate.

The Corrupt Electoral Machine.

While the amazing revelations of robbery and graft in connection with the building of the new Capitol at Winnipeg was undoubtedly the chief issue in the election, there were signs in every part of Manitoba that the people looked upon these revelations as merely one of the incidents in the record of a thoroughly corrupt electoral machine. The revolt of the people was less against men proved guilty on this one count than it was against a machine which for fifteen years, under the leadership of Roblin and Rogers, had fastened on the province a system of spoliation and autocracy that made a jest of law and the interests of the people. The audacious attempt of Mr. Rogers to keep his corruption machine alive and in working order under the guise of a "new" "independent" party was quickly appraised at its true value, and thousands of men in Manitoba who had never voted anything but Tory in their lives joined with Liberals and Independents in putting the last nail in the coffin of the ill-famed Conservative machine in Manitoba.

The people of Manitoba have spoken in no uncertain tones that they will not knowingly condone political rascality and crookedness. This expression can leave no doubts as to the essential soundness of public opinion in Manitoba.

The Duty of the New Liberal Leader.

Premier Norris is confirmed in power in Manitoba with an unequivocal mandate from the people to go ahead and clean up the mess left by his Conservative predecessors. He is surrounded by a strong cabinet which includes men of outstanding ability. They have a heavy task ahead to clean up the unusual mess of public affairs left to them. From public statements made by the ministers during the election campaign, there will be several investigations into contracts let by the Roblin government in the past five or six years which promise to reveal a state of affairs quite as bad as already proved in connection with the Parliament Buildings. These include the building of the Agricultural College and of the Asylum for the Insane at Brandon, the contracts for which were let during the regime of Hon. Robert Rogers as Minister of Public Works. The new Law Courts at Winnipeg are also to be the subject of investigation. All of these matters will be probed immediately after the Capitol investigation has been completed.

WAR CONTRACTS INVESTIGATION

Synopsis of Evidence taken at Ottawa, July 12th to July 22nd, 1915.

The Liberal Monthly will continue from month to month or so long as the Commission for investigating War Contracts lasts, to publish a synopsis of the evidence taken. The following covers the evidence taken at Ottawa between the dates of July 12th to July 22nd when the Commission left to continue their investigation in the Maritime Provinces:—

SOCKS.

ON July 20th Col. J. F. Macdonald, the Director of Clothing and Equipment testified and stated that he did not think any of the socks purchased for the soldiers were made from shoddy material, that they were not long wool something else being worked in. That if the Inspection staff had passed socks made from shoddy material it was due to overwork and rush. **He thought there were some instances where the Department had not insisted upon the specifications being strictly adhered to. He could not give the names of the favored contractors.** He was asked by Sir Charles Davidson to look this up.

On July 21st Charles Burns, Assistant Director of Contracts, in charge of the purchase and inspection of clothing including socks, testified, that when the War broke out it was not possible to get sufficient number of socks of the best quality, to conform to the Department's several patterns consequently about 200,000 pairs of a lower quality were purchased. For these as low as \$2.00 per dozen was paid compared with \$2.65 for the better quality; that these 200,000 pairs were made of pure wool but of lower grade and contained no cotton. After the War broke out cotton advanced from 31c to 45c per pound.

No new orders for socks have been placed since last winter but tenders would be called shortly when the original standard would be adhered to. Of the original supply many thousand pairs were rejected. Owing to urgency local Ordinance Depots had purchased socks at different points, particularly in the West. Complaints had been received in regard to these.

OATS.

40,000 bushels were purchased from Mr. A. E. Sparks of Vars for the Militia Department. Mr. Sparks testified that he was not a dealer in oats consequently had asked Dwyer of Ottawa to secure them for him. After they were paid for and delivered Mr. Sparks was informed that they were not all Canadian Western oats as contracted for.

Auditor General Fraser stated that his objection to the contract for the supply of 40,000 bushels of oats were **that tenders had not been generally called.** It was shown that in one instance a Mr. R. M. Pringle, Customs and Insurance Broker, Ottawa (son of R. A. Pringle, ex-Conservative M.P.) had been asked to submit a tender for these oats. It was not stated how Mr. Pringle's name got on the patronage list.

TIRES.

On July 20th Major Thomas gave comparative figures of cost of motor truck tires and attachments for the first and second contingents. He said that for the second contingent the tires and attachments complete cost \$273.65. It was difficult to compare these figures with those of the first, as they were not the same, but the naked tires now cost \$41.50, as compared with \$57.76 paid by Russell.

He accounted for the fact that Russell did not get the standard American discount (forty per cent and seven tens) in that Russell tried to buy only in Canada and from one company, without introducing the element of competition.

TRUCK BODIES.

Questioned as to the motor truck bodies, which did not fit the trucks, Thomas stated that they could be fitted all right, but they were not wide enough to carry the standard load of ammunition.

BICYCLES.

On July 15th Major Owens Thomas, the Departmental expert on transports testified that the bicycles which the Government paid \$55 and \$62 for the first contingent should have been purchased at the wholesale price of \$45.10. He based his argument on the following: The wholesale price of the bicycle was \$36.00, extra military attachment \$8.60, and time for fixing extra part 50c, total \$45.10.

On July 20th W. M. Dowswell of Hislop Brothers, Ltd., Toronto testified corroborating what Major Thomas had stated. Major Thomas also testified that his estimate of the accessories which compose the special military attachment was much lower than that given by Mr. Russell who gave the price for these at \$8.60. Careful examination of these accessories were now being made to guide the Department in future.

On July 21st, Clayton Burt, Assistant General Manager of the Russell Company testified that the \$36.00 bicycle purchased at the previous sitting of the Commission was the same bicycle sold to the Government for \$55.00 with the exception of the equipment and the color. He admitted, however, that the enamel on the Government bicycle was not "baked on" but "air dried," which really meant that the machine was not enamelled at all but painted. Mr. Burt also admitted that the sprocket gear had not been buffed or nickel plated.

TRUCKS.

On July 12th, Major Owen Thomas, motor truck expert for the Militia Department, testified,—

That he had made application for this position in August, 1914, shortly after the War broke out,

and that he had only been appointed on November 1st after having given up a lucrative position in New York. His services were gratuitous until January 29th when he was appointed to supervise the purchase of all mechanical transports purchased for the Canadian contingents, his commission to be 1½%. Up to the present time he has received over \$9,000 for his work.

That he had recommended the purchase of 150 Kelly trucks. 150 two-ton truck bodies had been supplied owing to an error of the specifications which had been made out in the Militia Department.

After his appointment he had submitted new specifications to the Department for 150 three-ton truck bodies, but owing to it taking considerable time to convince the Militia Department that the two-ton truck bodies would not do, the new three-ton truck bodies had not been ordered until recently.

That these motor trucks were needed in England and that within the last three weeks the Militia Department have received communications requesting that they be sent across. As soon as the three-ton truck bodies are received they will be sent.

That he had refused to recommend to the Department to purchase the Indiana truck offered at a lower price, as this truck had a continental motor and this type of engine failed to stand the strain at Salisbury. The next day Mr. W. D. Morris, the Ottawa agent of the Indiana Truck Company contradicted Mr. Thomas' statement and stated that the truck was suitable in every respect and cheaper than the Kelly truck recommended by Mr. Thomas.

HORSES.

Mr. B. L. McLean of Lindsay, Insurance Agent, testified that in July, 1914 he was appointed by General Hughes a horse buyer for the Province of Ontario. When War broke out this gave him too much ground to cover in consequence of which he undertook the purchase of horses for Lindsay and the County of Ontario. About 800 horses in all were purchased, including 80 from Mr. W. T. Merrick of Blackwater, Ontario.

Associated with Mr. Merrick in selling horses to Mr. McLean was Dr. E. T. Williams, Veterinary Surgeon of Sunderland. Mr. Merrick and Dr. Williams swore that they had not given the Government buyer, McLean, a horse worth \$200.00 to influence him to pass the horses which they brought to him to sell. In testifying, McLean corroborated this. Merrick it is true brought a horse to McLean which he would not buy for the Government and which was left with McLean for a few days, Merrick afterwards calling for her.

Both Dr. Williams and Mr. Merrick testified that their profits amounted to about \$900.00 each for the horses which McLean purchased from them.

PRETENDED "WAR TAXES" PRODUCE DECREASED REVENUE.

IT is perfectly obvious that the Customs Tariff changes made by the Conservative Government last February for the express purpose of raising additional revenue have failed of their purpose. In introducing these changes in the House of Commons, the Finance Minister said that their effect would be to raise from 25 to 30 million dollars more revenue, or at the rate of from two to two-and-a-half million dollars per month. The changes have been in operation for a full four months and the result is that the Customs Revenue instead of increasing by about eight million dollars has actually decreased by over half a million dollars.

This result is only what might have been expected, and is as predicted by the Liberal Leaders. At the best these tariff changes constituted a monumental piece of political folly and one of the gravest blunders in fiscal policy ever committed by any statesman or Government in the history of Canada. They were conceived in absolute ignorance. Customs rates were imposed which are prohibitive in their nature and per se defeated their avowed object. Mr. White evidently is a tyro at Tariff making over revenue purposes.

A FEW QUESTIONS ABOUT SHELLS.

ONE of the matters regarding the work of the shell committee very difficult to understand is that some orders for shells have been placed with people who had no previous knowledge or experience in engineering work of any kind, while very many established Engineering works in Canada have applied for contracts in vain. Instances could be cited of the erection of new, or the conversion of old buildings.—even town halls—into shell factories. Would it not have been better from every point of view especially that of the saving of time to utilize all existing factories all ready and practically equipped. All these factories should at least have been given the chance to make shells before placing orders, as has apparently been done, with unexperienced men.

If newspapers tell the truth when they state, as they have done incessantly for months past, that the reason the Allies have not made the progress generally expected of them, is shortage of shells, why is it that reputable engineering works in Canada cannot get orders when they apply for them. What is the use of talking about shell shortage, when the available steps to overcome it are not taken.

THE LIBERAL CHIEFTAIN, THE RIGHT HONOURABLE SIR WILFRID LAURIER, K.C., G.C.M.G., M.P., DELIVERS ADDRESS AT HIS BIRTHPLACE, ST. LIN, QUE.

"If I were a younger man I would be the first to go."—*Sir Wilfrid at St. Lin, Que, Aug. 7, 1915*



"My fellow-countrymen, I envy you your youth and your uniform, but above all your chance to fight for such a cause".—*Sir Wilfrid Laurier at St. Lin.*

ON Saturday afternoon, August 7th, the Right Honourable Sir Wilfrid Laurier, addressed eight thousand French-Canadians at St. Lin, Quebec. As Sir Wilfrid stepped from the special train which carried him from Montreal to St. Lin he was cheered by 5,000 citizens who had assembled at the station to meet him.

The meeting was held at two o'clock in the afternoon.

Preceding Sir Wilfrid's address Mr. P. A. Sequin, M.P. for L'Assomption and Mr. Walter Reed, M.L.A. for the same county spoke briefly.

His Worship Mayor Honore Thébault delivered an address of welcome. Following Sir Wilfrid, Hon. Sydney Fisher and Hon. Rodolphe Lemieux addressed the gathering.

Sir Wilfrid's Speech.

When Sir Wilfrid rose to accept the address of welcome he first generously thanked the people of his native parish for the new testimony they had shown him of their confidence and sincere amity, and recalled many souvenirs of his infancy.

"Whatever be," he said, "the vicissitudes, the trammels and the hazards to which men of politics are exposed, there is nothing dearer to them than the corner of the earth where they were born."

General Elections of 1911.

"If there is in my career a glorious page, it is that which was inscribed in 1911, the day when the Liberal party met a general defeat. My fifteen years of Government was the golden age for the people of Canada; they were marked by unheard prosperity. Never did a party fight with more honor than we did in 1911. We were beaten because we wished well. Our country was in such need of expansion by reason of the immense increase in its resources that it became necessary to have new markets, and it was for having called for our country these new means of prosperity that we were defeated."

Canada's Part in the War.

"The first word of Canada when War was declared, was that Canadians would go to the assistance of Great Britain. I am the Chief of the Opposition, and I do not hesitate for one moment to declare that each time the Government engages itself in a cause so just as this one, I will support the Government. Certain people are asking what have we to do with what is happening in Europe. That is not the way for us to regard this question. You know, gentlemen, that I have not hesitated to support the Government when it took the part of England against Germany. "England is fighting for a cause so noble, that we should be ready to sacrifice ourselves for it." I have supported without criticism the War policy of Sir Robert Borden because the cause is a noble and a just one in which every loyal subject of the British Empire should take a part."

Which Attitude Should the Province of Quebec Take?

"We are all interested in this conflict, and I would not have my compatriots of the French language take an attitude different to the attitude of my fellow countrymen of the English language on this question. England is at war because she wishes to defend the independence of Belgium, and the integrity of the soil of France. Never has a nation drawn the sword for a cause so sacred."

"We of French origin have a double duty to perform. It is true that it is not our own land that is being ravaged, and they are not our

farms that are being fired by the Germans, but it is the land and the farms of France. It is not our cathedrals, it is not our churches, that the German bullets demolish, but they are the monuments and treasures of France, and they are French women that are outraged and massacred. French-Canadians who listen to me now, is there one among you who can remain unmoved before these acts? This is why 70,000 Canadians have already gone to defend justice and liberty. (Cheers.)

The War Policy of the Government Must Be Supported.

"I support this policy of the Government, and speaking before you with all the authority that my long political career gives me, I say that while I exist, I shall not desist in this attitude. We have an interest to take part in this War. We are fighting for liberty and we are combating absolutism. If you have in your heads a desire to see justice and liberty triumph, you cannot rest indifferent to this conflict. If Germany triumphs it will be the end of our ideal of civilization.

The Montreal Incident.

"In Montreal there are to be found men who would prevent recruiting. Recently Major Ranger wanted to address a meeting, and there were men there who actually wanted to close his mouth. I do not know Major Ranger, but I will say, to his honor, that he is a hero. It seems to me that it was a duty on the part of those who attended the recruiting meeting to permit a man who had sacrificed his life in the trenches to express his opinion. I claim for my country the supreme honor of bearing arms in this holy cause, and if I support the Government it is because I have the heart to do my duty. (Applause.)

No Fear of Conscription.

"For my part," I do not believe there will ever be conscription either here or in Great Britain. England has never forced conscription on any part of the Empire. The British people have always objected to forced service and the fear of conscription in Canada is as groundless now as it was in 1911, when some of the people of Quebec were told that the Laurier naval policy involved conscription and the hauling away of peaceful citizens to be disembowled in European conflicts."

On Naval Question.

In the Province of Quebec the last general election was not fought on the question of reciprocity alone, but was fought equally on the naval question. Recent events, had justified the attitude taken by the Liberal party in regard to the naval policy. "Canada has not always been the country she is to-day." "There was a time when Gaspé and Lake Superior were, generally speaking, our extreme points. To-day the state of things existing then has changed. New Brunswick and Nova Scotia are washed by the Atlantic Ocean, and on the

other side of the same waters in Europe, exist France, the home of our ancestors; England, our Mother Country, and Germany, our enemy. On the other side we find British Columbia, Alberta, Saskatchewan and Manitoba—Manitoba, where no later than yesterday the people vindicated their honor, outraged by a certain government. (Loud cheers). On the western coast the oceans connect Canada with the thickly populated countries of Asia. On the Atlantic Ocean, on the Pacific Ocean, and on the St. Lawrence River there exist to-day rich and flourishing cities. All these cities are open. In time of war they are exposed to the enemy, THAT IS WHY WE NEED OUR NAVY."

War First, On Other Questions Economy Must Be Practiced.

"I do not want to make party capital out of these questions, but simply to explain the position in which we find ourselves. The present policy is ruinous, and is increasing the cost of living, and although we support Sir Robert Borden in Canada's participation in the War we cannot support him on his internal and fiscal administration. We voted the money necessary for the sending of an expeditionary force to Europe, but we could not support the Government on the measures they had taken to assure our economic stability. In the crisis which we are passing through the Government should have adopted a policy of rigid economy. It had not done that.

"The last year of our administration we spent \$98,000,000. Last year the present Government started a page of deficits. The Laurier Government had never known deficits. Last year the Conservative Government had a deficit of \$10,000,000, and with the expenses of the War they have augmented the public debt of \$110,000,000. The duty of the Government knowing that we were entering on a bad year was to practice economy. We are at War, and if we do not practise economy we cannot pay our expenses."

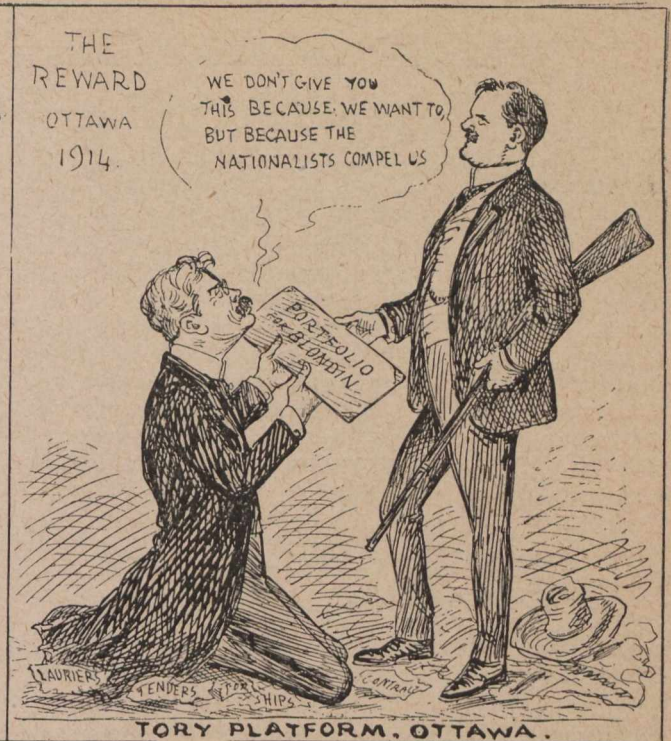
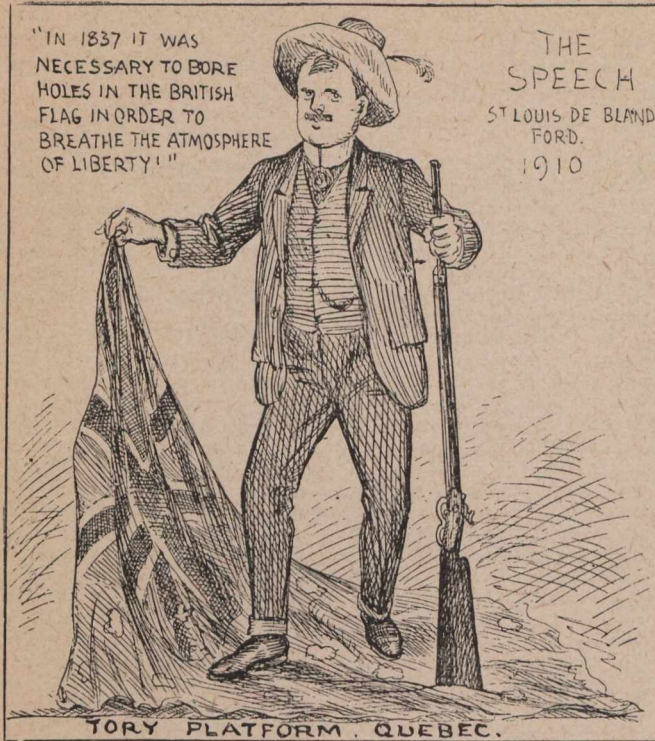
SIR WILFRID'S SPEECH AT ST. LIN STIMULATES RECRUITING.

(From Montreal Gazette, Conservative, August 12th, 1915.)

It was stated by a number of recruiting officers that there has been a marked difference in feeling amongst possible French-Canadian recruits for the battalion since Sir Wilfrid Laurier made his speech at the St. Lin demonstration last Saturday.

"I never expected to have met with such success in organizing my battalion," said Lt.-Col. A. Dansereau yesterday. "Not only did recruiting start off well, but it has steadily improved and now instead of getting around twenty men a day, as at the start, I am getting thirty and forty and even more."

TREASON AND ITS REWARD.



CHICKENS COME HOME TO ROOST.

WHEN SIR ROBERT BORDEN allied himself with the Nationalists of Quebec, on the principle, as Sir George Foster bluntly expressed it, of defeating Laurier at any price, he not only hybridized his Cabinet by bringing together in it men utterly opposed to one another in Imperialistic ideas, but he unwisely took upon his shoulders a mountain of trouble, some of the effects of which are now being felt. We refer particularly to the disturbances at recent recruiting meetings in Montreal. There is, no doubt that these disturbances were brought about by the Nationalists whose declared policy is antagonistic to Empire interests. If evidence be required as to the attitude of the Nationalists, glance for a moment at the following utterances made no later than 1910, by one of Sir Robert's Quebec Lieutenants who was taken into the Cabinet after the War started:

"In order to breathe the air of liberty one had to shoot holes through the British flag."

"The English have never done anything for the French Canadians, we do not owe them anything."

"Those who butchered your forefathers on the plains of Abraham ask to-day that you sacrifice your lives for their sake."

"We have had enough of England and the British."

"Our liberties, we have wrested them from England and we owe her nothing."

Sir Robert Borden and the Conservative party fathered the Nationalists, and now they must answer for their sins.

GIVE SAM A CHANCE.

WITH the Hon. Sam Hughes, the greatest military commander and driving force of all time since the days of Hannibal, at British Headquarters in London, telling Lord Kitchener and the Coalition Cabinet how the War should be conducted, it is a matter for great surprise that the Teuton Armies have not ere this been wiped off the map. Surely the Hon. Sam's good right hand has not lost its cunning. We confess disappointment. We had expected greater things as a result of his superman and superjaw powers. But it may be that he is handicapped by British Military traditions and has not had a fair chance to overawe the enemy. We feel certain that if given a free hand, he would unsheathe his sword, grasp his patent shovel with the hole in it, equip himself with a Birkett binocular, call his man Turpin to his side, have a few nurses in Mikado Uniform in attendance to say nothing of at least six lady stenographers, and start immediately a triumphal and uninterrupted march to Berlin. He has performed similar deeds before, why, therefore, should he not be allowed to repeat. In South Africa, according to his own story, he, almost single-handed, captured a whole Boer commando, and kept them overnight. The fact that they all escaped before sunrise is a mere detail which should not diminish the glory of the famous single-handed capture.

We hope Lord Kitchener is not actuated by jealousy, and that he will yet give Sam his chance.

HON. MR. WHITE'S \$45,000,000 LOAN.

Canadian Courier Attacks the Hon. Mr. White, Minister of Finance.

WE reproduce hereunder in full an article recently published in the Canadian Courier which is a severe indictment of the Hon. W. T. White in connection with his recent borrowing of \$45,000,000 in New York. Apart from the merits of the criticism, the article is specially noteworthy in view of the general belief that the Canadian Courier is controlled by men in close touch with the Canadian Northern Railway. It bears all the ear marks of the inspiration of "Bill and Dan," which leads us to enquire "What new game is afoot." Has the Tory Cabinet quarrelled with "Bill and Dan," and are the latter trying to shew them who are the real bosses?

Canada's Borrowings In New York; Are We Paying Too Dearly For Them? A Matter Affecting All Business.

(From the Canadian Courier, July 31, 1915.)

When the Canadian government borrows money and agrees to pay a certain rate of interest, that transaction affects every borrower, public or private, in the Dominion. For example, if the Canadian government will pay only $3\frac{1}{2}$ per cent, the provinces will probably be able to borrow at $3\frac{3}{4}$ or 4 per cent, the municipalities at 4 or $4\frac{1}{4}$ per cent, and private borrowers at $4\frac{1}{2}$ or 5 per cent. The Dominion government, according to history, can always borrow a little more cheaply than the provinces, while the provinces borrow a little cheaper than the cities, and the cities a little less than the private borrower.

Hence, every transaction by the Dominion government affects the provinces, the municipalities and the private borrowers.

With these circumstances in mind, let us examine the latest exploit of the Hon. Thomas White, Canadian Minister of Finance. He is getting all the money for War expenditures from London. The British government has agreed to help him in this respect. He has no difficulties so far as War expenditures are concerned. But if he has not enough money to pay for other expenditures, such as canals, post offices, armories, docks, dredging and other public services, he must borrow elsewhere.

Now, Hon. Thomas White needed forty-five million dollars to meet the deficit of the year 1915. Whether there ought to be a deficit or whether there ought not to be a deficit is not a matter to be discussed here. There is a deficit, and that deficit must be met. Therefore, the Hon. Thomas White arranged with the Bank of Montreal, J. P. Morgan & Co., Brown Brothers & Co., First National Bank and National City Bank of New York to raise the necessary forty-five million.

There can be no objection to our going to New York to borrow. It is practically the only market open to us, although the Dominion had never gone there before. The provinces and the municipalities have been going there since the War broke out.

How Rate Was Decided.

The next point for Hon. Thomas White to consider was, "What rate of interest shall I offer the New York bankers?" In deciding this he had several points to keep in mind. In the first place, the New York bankers were anxious to see Mr. White borrow there. They were

willing to make the loan. They are interested in seeing United States firms continue to sell largely in Canada, which they could not do if Canada had no money to pay for goods. It was just as vital to the United States to lend us that money as it was for Canada to get that money. Each party to the bargain was interested. Hence Mr. White must have known that the situation favored a low rate of interest.

In the second place, Mr. White knew that the Ontario government was borrowing there at five per cent interest, and that the city of Toronto had got money there at five per cent. He would know, therefore, that he should be able to borrow in New York at $4\frac{1}{2}$ or $4\frac{3}{4}$ per cent.

In the third place, he had to consider what other countries were doing. Great Britain has just raised over three billions of dollars at $4\frac{1}{2}$ per cent. But this interest is subject to income tax, so that the borrower would be netting between 4 and $4\frac{1}{4}$ per cent. If the income tax goes up in the near future, the man who lends to the British government will not net more than 4 per cent. Having examined this situation, Mr. White would have to decide whether the interest on his New York borrowings would be subject to any taxes. He did this and decided that they would not. It was announced that these interest payments would be "free from taxes imposed by the Dominion of Canada, including any income tax." Not only did Mr. White promise not to tax these interest payments himself, but he will not let anyone else tax them. Thus whatever interest the United States investor got would be "net." As the British government was paying about 4 per cent net, the Dominion government should pay about $4\frac{1}{2}$ per cent net.

The Generous Terms Offered.

These are the preliminary figures. Now let us see what Hon. Thomas White actually did. He agreed to take \$45,000,000 from the New York bankers, and give 5 per cent gold notes as follows:—
\$25,000,000 due August 1st, 1916, \$20,000,000 due August 1st, 1917.

He agreed to pay the interest half-yearly on February 1st and August 1st. He agreed to pay the interest in United States gold in New York City. He agreed that these notes should be convertible, at the option of the holder, at any time prior to three months before maturity, into twenty-five per cent bonds of the Dominion of Canada, par for par, to be free from any right of prior redemption. Further he agreed to take this loan at the following prices:—

The one year note at 100 and interest.

The two year notes at $99\frac{1}{2}$ and interest.

Finally he agreed to pay the New York bankers $\frac{3}{4}$ of one per cent commission on the proceeds.

This was all he agreed to do. Yet when one figures it out, no other bonuses were necessary. Five per cent interest for the gold bonds of the finest British Dominion, no taxes, half-yearly interest, payable interest and principal in gold, convertible into twenty-year bonds at option—what more could the keenest Yankee want? And he didn't want any more. As a matter of fact, that forty-five million loan was taken up in five minutes. The books opened, the investors yelled "We take it," and the books closed. It was the swiftest sale of bonds ever made in the history of the world.

It was easy money for the bankers. Their commission amounted to \$336,750, and they earned it in five minutes. Of course, that wasn't much among five of them, but it would buy quite a few dinners at the Waldorf. It would pay the rent of the five institutions for two or three months at least.

Then the vital question comes. "Why did the United States investor grab that issue as if he were getting gold dollars for ninety cents?" The only possible answer is that the Hon. Thomas White agreed to pay five per cent when he could have got the money for $4\frac{1}{2}$ per cent. There cannot possibly be any other answer.

Now, let us see what Canada lost. The interest on \$25,000,000 for one year at five per cent and on \$20,000,000 for two years at the same rate is \$3,250,000. The interest at $4\frac{1}{2}$ per cent would be \$2,925,000. Mr. White, therefore, cost Canada \$325,000 by a mistake in judgment.

There seems to be no possible defence. He knew that the credit of the Dominion was better than that of the provinces or the City of Toronto, and that these authorities had borrowed at five per cent. He knew that Great Britain had just borrowed at about four per cent net. He knew that the United States bankers have more money than they know what to do with, and that they realize that they must lend to Canada to keep up their sales in this country. All these facts were known to every financial writer and every financial broker in Canada, and hence should have been known to the Minister of Finance. All these facts were public facts.

Then why did Mr. White promise to pay such a high rate?

What Will Be General Effect.

Finally, think what this means to Canada. Suppose the Provinces and the municipalities want to borrow another hundred millions in New York during the next year, what will happen? The bankers of New York having found Mr. White an easy victim, will hold up the smaller borrowers. They will demand $5\frac{1}{2}$ per cent as sure as fate. Think of the loss that will mean?

Figure it out for yourself. The various borrowers want a hundred millions for an average of five years. They pay $5\frac{1}{2}$ per cent instead of five per cent. What will it amount to? The answer is, two and a half million dollars.

But there is another way to look at it. Mr. White decides to pay five per cent and he invites tenders. J. P. Morgan & Co., offer to buy the bonds at $99\frac{3}{4}$, another firm offers 101, another offers $102\frac{1}{2}$, and another offers $104\frac{3}{4}$. Who will get it? The firm that offered $104\frac{3}{4}$, of course. In that case, instead of getting \$44,563,250 for his forty-five million dollars' worth of bonds, Mr. White would have got about \$47,250,000, or nearly three millions more than he actually got.

There are financial men who believe, rightly or wrongly that Mr. White could have got two and a half millions more for his bonds than he did get. The test of their belief will be the selling price of these bonds three months hence. If they are then selling at 104, or thereabouts, then these men will be right.

The financiers who claim that Mr. White lost two and a half million dollars have no animus against him. But the fact remains that the financial world, rightly or wrongly, is laughing. Canada cannot afford in these days to be laughed at.

Probably the only way to get at the truth would be to call a special session of Parliament and have the whole financial situation discussed. There are other rumors equally grave in the air. A special, non-partisan session, at which those who have complaints could air them and answer could be given, might be the best remedy for the situation. If there is no extravagance at Ottawa, these rumors should be stopped. They cannot be aired except on the floor of the House of Commons, and, therefore, a special session seems advisable.

THE FULLERTON CHARGES IN MANITOBA.

Tory Conspiracy a Boomerang.

A NOTABLE feature of the campaign was the utter failure of the despicable attempt on the part of the Conservatives to discredit Premier Norris and other members of the Manitoba Liberal Government by the circulating of rumors and charges that the Liberals had been allowed to assume power as the result of a "deal" with the late Roblin government. It was charged that some \$50,000 had been paid to a Liberal agent to secure the calling off of all election protests pending against Conservative members; also that later on when Roblin resigned, at least \$25,000 of this money was still to have gone to the Liberals in consideration for the Liberals stopping the investigation into the Parliament Buildings Robbery.

Royal Commission Appointed to Investigate Charges.

Premier Norris took quick and unexpected action on these charges when his Government appointed a new Royal Commission within a few hours after the charges had been made. This was the last thing the Conservatives looked for and their dismay was apparent at once. The Commission got quickly to work and heard all the witnesses produced, full opportunity being given to have the whole story. The finding of the Commission was clear and definite and proved to be a complete "bill of health" for Premier Norris and his Government. The charges were all found to be absolutely unfounded and the report made it plain that it was the unanimous opinion of the Commissioners that the charges were the result of a deliberate conspiracy to discredit Premier Norris and his party.

Premier Norris and His Party Exhonorated.

Mr. Justice Perdue, Mr. Justice Galt and Judge H. A. Robson, (Provincial Public Utilities Commissioner) composed the Commission. Their finding, which was unanimous, was as follows:—

CHARGE No. 1.—

(That the Liberals agreed to withdraw all election petitions for payment of \$50,000 cash).

The Commission found: "That the charge is unfounded and that no agreement involving the payment of money or other consideration was made between the late government, or any member thereof, or any member of the then Opposition or any member thereof."

CHARGE No. 2.—

(That there was an agreement whereby Roblin resigned and let the Liberals take power in consideration for stopping the investigation of the Parliament Buildings contracts; also that money was to be paid to the Liberals.)

The Commission found: "That the charge is unfounded and that no agreement was made involving any improper consideration or motive whereby the late Government should resign and the present Government should obtain office."

As to the more general charges made by C. P. Fullerton and itemized at length in a petition signed by fourteen members of the legislature, all of whom had of course been thick and thin supporters of the late Roblin government, and most of whom were again nominated as candidates of the new "Independent" Aikins Conservative party, the Commission found that these also were all unfounded.

With respect to the conflict in the evidence of James Howden, former Attorney General in the Roblin Cabinet, and that of Premier Norris, the Commission unhesitatingly accepted the word of Premier Norris, and said "With regard to the improbabilities of Mr. Howden's narrative which themselves cast grave doubt upon it, we base our acceptance of Mr. Norris' statement UPON THE RESPECTIVE CHARACTERS OF THE TWO MEN AS REVEALED BY THE EVIDENCE."

This finding, utterly condemning a man who for many years held the sacred position of Attorney General, was explained by the Commissioners in the following words:

"Howden acknowledged that in the course of his political life he had descended to low standards in dealing with political matters and that he accustomed himself, in making communications, to suggestion rather than statements, and to drawing inferences from indefinite phrases or mere gestures. On the other hand, Sir Rodmond Roblin, although a strong political opponent, speaks highly of Mr. Norris' character and honesty. Sir Rodmond, in testifying, said "I never knew Mr. Norris to do a dishonorable thing in his life or suggest one. And I have had as confidential relations with him as it was possible for two men to have occupying the spheres that we have."

THE TORIES SWALLOW THEIR ALLEGED PRINCIPLES.

ALL Canada is laughing at the Tories in connection with their negotiation of the recent loan of \$45,000,000 in New York. Four years ago Liberals were branded as disloyal for proposing to truck, trade and deal with the Yankees; to-day the Tories gladly go to New York for the gold wherewith to pay for their extravagant expenditures. Poor Mr. White! It must have been a bitter pill for him to swallow; no wonder he is looking careworn. In 1911 he and the other stalwart sixteen time-serving Liberals of Toronto told us that Reciprocity surely meant that we would be swallowed up by the United States. Is he haunted now by similar fears, or is he, as we believe, merely smiling up his sleeve. We do not blame him for taking United States gold, but we would not be human if we failed to point out his inconsistency. We shall have more to say on this subject again because it is a most instructive commentary on inside Tory politics.

A THREE YEAR COMPARISON OF EXPENDITURES.

Under Liberals.

	Revenue	Ordinary Expenditures	Capital Expenditures	Total Expenditures
1910.....	\$101,503,710	\$79,411,747	\$35,984,026	\$115,395,773
1911.....	117,780,409	87,774,198	35,087,052	122,861,250
1912.....	136,108,217	98,161,440	38,980,642	137,142,082
	\$355,392,336	\$265,347,385	\$110,051,720	\$375,399,105
Total revenue.....				355,392,336
Added to public debt less sinking funds....				\$20,006,769

Under Conservatives.

1913.....	\$168,690,427	\$112,059,537	\$32,397,340	\$144,456,877
1914.....	163,174,394	127,384,472	58,856,575	186,241,047
1915.....	*130,000,000	140,000,000	50,000,000	190,000,000
	\$461,864,821	\$379,444,009	\$141,253,915	\$520,697,924
Total revenue.....				461,864,821
Shortage less sinking funds.....				58,833,103
Plus war expenditure.....				50,000,000
Total shortage.....				\$108,833,103

*Estimates given by the Finance Minister in his Budget speech of Feb. 11th, 1915.

In this statement we charge the Liberals with the year ended March 31st, 1912 for the reason that the expenditures of that year were largely based on the estimates prepared by them.

Here we see that the Nationalist-Conservatives spent \$114,000,000 more than the Liberals on ordinary expenditures and \$30,000,000 more on capital and special expenditures—not including an expenditure in 1914-15 for War estimated at \$50,000,000. The result of this madly extravagant career is that the national finances are now in terrible condition as disclosed in the Budget speech of the Finance Minister of Feb. 11, 1915.

Conservative Financial Management.

Under the Liberals, the ordinary expenditures of the country increased from \$36,000,000 in 1896 to \$87,000,000 in 1911, an increase of \$51,000,000, or at the rate of \$3,500,000 per annum, during the period when the country was developing at an extraordinary rapid rate. If we take the fiscal year ended March 31st, 1912, we find that the total ordinary expenditure was \$98,000,000. The Liberals went out of office in the middle of that year. Charging the Liberals up with the whole expenditure of that year, the total increase of expenditure during their regime was \$62,000,000, or at the rate of a little less than \$4,000,000 a year.

Sir Robert Borden, in one of his manifestos issued prior to the election of 1911, declared:

"The increase in what is known as ordinary controllable expenditure of \$36,000,000 in 1896 to \$79,000,000 in 1911 is proof of extravagance beyond any possible defence."

In public speeches he and other Conservatives

said the increase in expenditure was prima facie evidence of corruption. He pledged himself to better things if he were returned to power. Well, the people put him in Office and now what do we find? The record is amazing. In the very first full fiscal year the Conservative Government increased the ordinary expenditure from \$98,000,000 to \$112,000,000; the next year from \$112,000,000 to \$127,000,000, and last year ended March 31st, 1915, it went up to \$140,000,000. For this fiscal year ending March 31st, 1916, it is estimated by the Finance Minister at \$140,000,000. Here we have an increase of \$42,000,000 in three years or at the rate of \$14,000,000 a year.

It will be apparent from these figures that Sir Robert Borden either did not know what he was talking about before the election, or that this Government has been guilty of the wildest possible kind of extravagance.

The increase of \$13,000,000 in the expenditure of last year and a part of the increase for the previous year were made in the face of the most distinct warnings to the Finance Minister, of serious depression in trade and commerce. Customs returns for the year ended March 31st, 1914, fell off \$8,000,000 from the previous year, the figures being:

1913.....	\$115,063,687
1914.....	107,180,538

An analysis of the figures shows that the Finance Minister had warning as far back as October, 1913 nearly a year before the War, that the national revenues were declining seriously. For that month and each succeeding month thereafter the revenues of the country substantially declined, yet, would you believe it, instead of shortening sail, and adopting the prudent course of retrenching expenditures as far as possible, he greatly increased the expenditure during each of these months when the revenue was declining.

He proceeded upon the inverse ratio principle and tried to make the people rich by spending their money. Something like a man trying to lift himself off the ground by tugging at his boot straps. These figures support this statement:

	Revenue Decrease.	Increase of Expenditures of all Kinds.
1913.		
October.....	\$ 533,356	\$ 5,028,975
November.....	760,797	3,208,584
December.....	1,210,714	2,505,955
1914.		
January.....	1,912,625	5,360,645
February.....	3,437,750	4,115,563
March.....	3,337,826	1,706,541
April.....	2,296,457	450,672
May.....	3,095,757	1,794,409
June.....	2,216,088	156,999
July.....	3,111,803	2,080,682
	<hr/> \$20,913,173	<hr/> \$26,409,025

This means that before the War started or there was any talk of War, the financial situation was that

our revenues had declined \$20,913,173 and our expenditures increased \$26,500,000, so that there was a deficit created before the War of \$47,000,000.

If the Finance Minister needed other evidence of the depression in trade and commerce to warn him to steer a safe course financially, all he had to do was to look at the railway earnings. The earnings for all of the railways of Canada for the year ended June 30th, 1914, were over \$13,000,000 less than during the previous year. This decline was noticeable many months before June, 1914. The actual figures of railway earnings for these two years were as follows:

Year ended June, 1913.....	\$256,702,703
Year ended June, 1914.....	243,083,539

There was also a substantial decline in bank clearings noticeable during the months when Mr. White was increasing his expenditures and the national revenues were declining; as appears from the following figures:

Bank clearings the year ended June	
30th, 1913.....	\$9,260,163,171
Bank clearings the year ended June	
30th, 1914.....	8,073,460,725

The building permits of the four leading cities also recorded sharp decreases, commencing in the Fall of 1913. The figures for the years 1913 and 1914 are as follows:

	1913	1914
Montreal.....	\$27,032,000	\$17,619,126
Toronto.....	27,038,000	20,672,498
Winnipeg.....	18,621,000	12,160,950
Vancouver.....	10,423,000	4,484,476

Great Unemployment.

Many months before the outbreak of War there was a large army of unemployed in our cities and large towns. Indeed, the winter of 1913-14 was one of the worst ever experienced by the labouring classes.

On March 11th, 1914, 10,000 men in search of work were registered at the Civic Employment Bureau in Toronto. That condition was typical of the conditions throughout all Canada. In every city, hundreds of men sought work, and sought it in vain. Nor have conditions improved since then. The plain fact of the case is that not for upwards of twenty years past has unemployment existed on such a startling scale in Canada.

In Montreal, during April, no less than 5,000 out-of-works rushed to the city hall when an intimation was given that the city would endeavour to find work for those who needed jobs. Huge mobs of unemployed were massed on the Champ de Mars of the city—all begging for work and few able to find it. In the endeavour to pick up a few cents that they might buy food, men and women went up and down the vacant fields of the city a few weeks ago collecting dandelion plants to sell for greens in the foreign colony.

In Hamilton, the unemployed paraded the streets by the hundreds. Four hundred of them marched to

the city hall on one day pleading for work that they might be able to support their families.

In Edmonton, in early May, between 600 and 1,000 of the men who sought work and found it not were marching the streets. In Regina, a thousand men pleaded with the mayor to find them work. In Winnipeg, hundreds walked the streets in idleness, not from choice or laziness, but because those who sought work outnumbered the jobs available many times over. In Ottawa, the unemployed run into many hundreds. In St. John, N.B., in Vancouver, B.C., the cry was the same. Everywhere the demands upon charitable organizations were multiplied many times. Families which never sought aid of anyone before were compelled to ask charity.

Bankers, foreseeing grave trouble, had adopted the most conservative methods, with the result that business men had not only to call a halt on new enterprises, but found it difficult to get money for actual present necessities.

And yet, in the face of these unmistakable evidences of hard times, the Nationalist-Conservatives, as we have shown, spent more and more money and went deeper and deeper into debt.

Trying to Blame the War.

The Nationalist-Conservatives are trying to blame the War and it alone for the depressed trade conditions and financial mess now disclosed in the country. Unfortunately for them the facts above recited prove that conditions all over the country were bad, very bad, long before the guns began to boom in Belgium. Good judges of economic conditions have declared that the War was actually a blessing to Canada as it diverted the attention of the world from our deplorable conditions.

We do not argue that the War has not contributed to the existing depressed conditions of the country. We assert, however, in the most positive way, that we had hard times long before the War. We think the evidence we have submitted in this respect is irrefutable. We contend, too, that the Conservative Government, in the face of falling national revenues, should have curtailed expenditure instead of adopting the crazy course of increasing them substantially.

By contrast look at what the Liberal Government did when they were faced with a temporary falling off of revenue. For the fiscal year 1908-09; the national revenues fell off nearly \$11,000,000, whereupon the Liberal Finance Minister cut the estimates of expenditure very substantially with the result that the total expenditures of the country of all kinds were reduced during the following year by no less a sum than \$18,000,000. The figures of the total expenditure for the two years being as follows:

1909-10.....	\$115,395,773
1908-09.....	133,441,524

A Comparison.

Place any construction you like upon it, give credit to the Liberals or refuse credit, call it coincidence if you will, it is hard for the ordinary man to resist the common sense conclusion, that Governments are in large part responsible for conditions, affecting the welfare of the people when he is asked to consider the plain outstanding facts.

1. That for years prior to 1896, under Conservative rule, the country was in a rut—a rut almost of despair, little, if any, progress being made.

2. That under Liberal Administration almost everyone prospered; that, in short, it was an era of the full dinner pail.

3. That when the Conservatives came back into office, late in 1911, they succeeded in keeping the prosperity machine going about a year only, after which there was gloom, nothing but gloom, all over the country.

DIARY OF THE MONTH.

1915.
July.
- 1 W. F. GARLAND, CARLETON, (Ont.) announces at picnic at Woodroffe, Ont. that he will not be a candidate in Carleton.
 - 2 LIBERAL meeting at BONSHAW, (P.E.I.) ,addressed by J. E. SINCLAIR, J. J. HUGHES, M.P., and others.
 - 3 HUNTINGDON AND CHATEAUGAY, (new riding) LIBERAL convention at Ormstown unanimously nominate J. A. ROBB, M.P., sitting member for Huntingdon. Convention addressed by HON. GEO. P. GRAHAM, HON. RODOLPHE LEMIEUX, HON. HONORE MERCIER, Mr. L. J. PAPINEAU, M.P. (Beauharnois) Mr. ANDREW PHILLIPS, M.P.P., and others.
 - 7 Government takes over G.T.P. Winnipeg-East with full control for 999 years.
 - 15 MANITOBA PROVINCIAL CONSERVATIVE CONVENTION at Winnipeg. SIR JAMES AIKINS chosen new leader.
 - 16 SIR WILFRID LAURIER addresses big recruiting meeting at OTTAWA. Other addresses by HON. MARTIN BURRELL and COL. CURRIE.
 - WEST PRINCE, (P.E.I.) LIBERALS at annual convention, elect officers. Addresses by J. J. HUGHES, M.P.
 - 17 HON. ARTHUR MEIGHEN addresses patriotic rally at Charlottetown P.E.I.
 - 21 Recruiting meeting at Kingston addressed by Dr. MICHAEL CLARK, M.P., and W. B. NORTHROP, M.P.
 - Prohibition carried by over 20 000 majority in Province of Alberta.
 - 26 SIR JAMES AIKINS, M.P. for BRANDON, (Man.) and W. H. SHARPE, M.P. for LISGAR, (Man.) resign their seats in the Federal House to enter Provincial Politics in Manitoba, the former as Leader of the Conservative Party and the latter as First Lieutenant.
 - HON. RODOLPHE LEMIEUX addresses meeting at St. Cesaire, Que. Others who spoke included L. J. Gauthier, K.C., M.P., Joseph Demers, K.C., M.P., G. H. Brown, K.C., M.P. and Alphonse Ver-ville, M.P.
 - 27 LIBERAL meeting at DISRAELI, (Que.) addressed by E. W. TOBIN, M.P., and others.
 - WEST PETERBORO, (Ont.) CONSERVATIVES, convention at Peterboro nominate J. H. BURNHAM, M.P., the sitting member.

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