

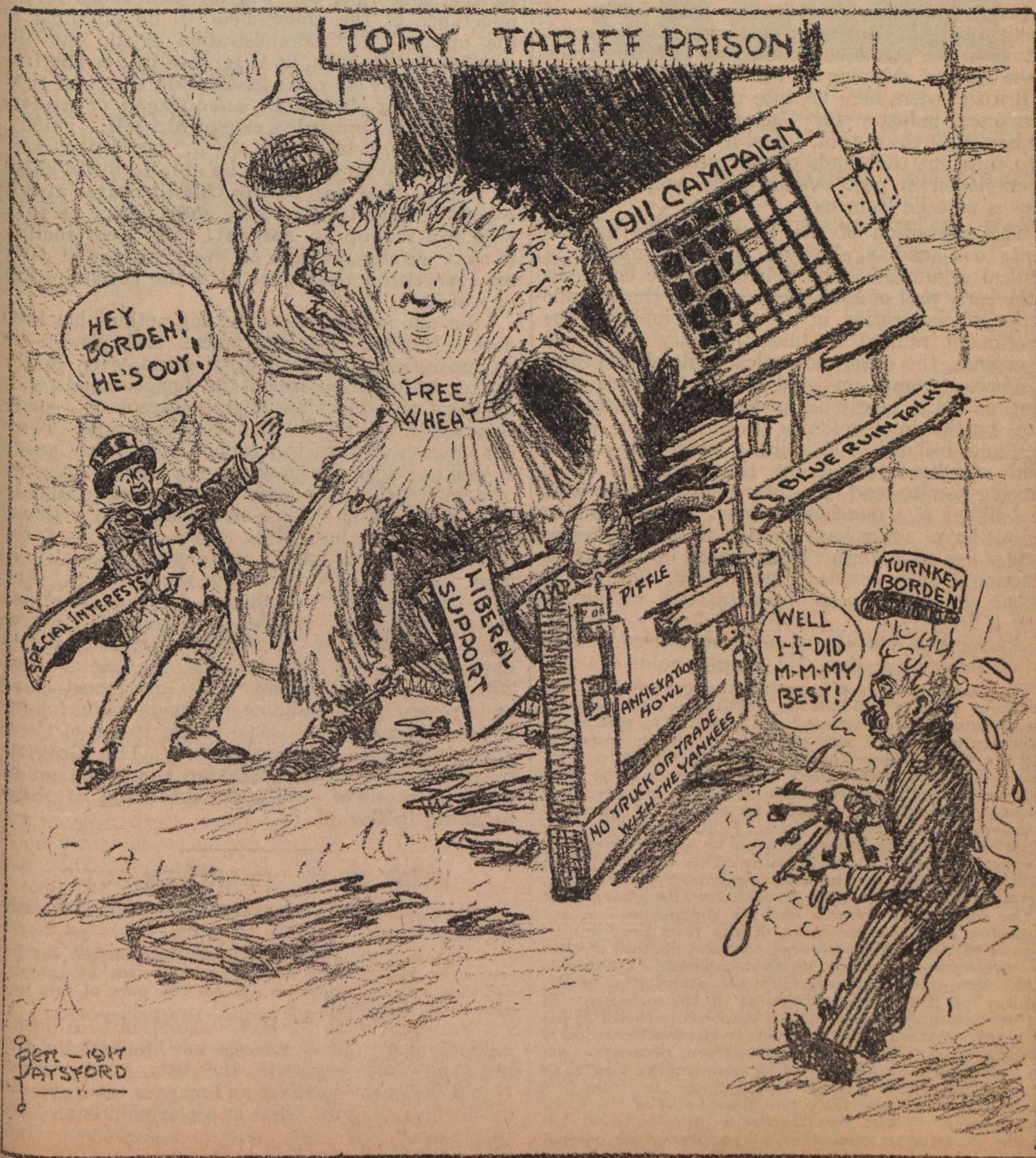
THE CANADIAN LIBERAL MONTHLY

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"OUT"



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CANADIAN SHIPBUILDING.

THE fact that the United States is about to undertake the construction of some 3,000 sizeable wooden ships as a war measure, while in this country at the present time there is much activity in shipbuilding thanks to the Imperial Government, inspires our conservative friends to indulge in a dream of future prosperity for the two great nations of North America. But what part can Canada expect to take in the predicted building up of future trade if she has no shipping of her own? The placing of British orders here because of the war is not a permanent industry for Canada, nor do we get the benefit of the output. And if the United States is to turn out thousands of new vessels which can be employed in post bellum trade, will that fact help us or take from us?

The opposition of the Rogers-Borden government to Canadian shipping is not a matter of political argument. The debates in the commons in the early part of 1916 showed clearly the attitude of the administration in regard to shipping. The government refused to take the duty off Diesel oil engines, the most economical and reliable form of marine engine invented and which are now being placed in nearly all modern vessels, including even battleships; refused to purchase a single ship, and declined to establish a single shipyard to build merchant vessels in this country. It is amusing now to read of a future having to do with the building of a merchant marine. The Dominion cannot have a merchant marine until the government places all materials which enter into the construction of such vessels on the free list. Machinery, engines and boilers must be untaxed if we are to have a fleet.

Speaking in the Commons over fifteen months ago on this matter Hon. Mr. Pugsley said:

This session we are granting the government the enormous sum of 250 million dollars, not entirely for war purposes, because they have asked us to give them authority to utilize a part of that amount for purposes which are not immediately concerned with the war. One of the objects for which this money is to be used is to promote the continuance of trade, industry and business connections, whether by means of insurance or indemnity against war risks. It will be interesting to the house to be informed whether or not it is intended to apply any part of that amount either directly to the building of ships or the encouragement of shipping. Certainly it would be quite possible for the government in the interest of Canada and for the purpose of encouraging the transportation of the food products of Canada to the mother country to use a portion of that very large appropriation for that purpose. Canada is vitally interested, not only from the standpoint of the empire, but from the standpoint of the producers of our own country, in having all reasonable facilities for the transportation of our products to the mother country and the allies. This matter, therefore, presents itself not only from the standpoint of encouraging Canadian shipbuilding, thus giving employment to Canadian shipwrights, not only from the standpoint of the Canadian producer, but also from the standpoint of the empire, because an adequate food supply for the mother

country and our allies is of vital importance with the conduct of the war.

But none of the large appropriation referred to by Hon. Mr. Pugsley was devoted to the objects he so clearly pointed out as deserving of special consideration in this way. But the money was spent. Mr. W. F. Maclean followed in April, a year ago, in urging the government to do something in the matter of aiding or encouraging Canadian shipping. The York member thought that **"every shipyard in Canada ought to be engaged in building ships that would help relieve the pressure in regard to ocean tonnage and freight."** At the same time Mr. Pugsley complained of the reluctance of the government to do anything in the matter. The administration acted, said the member for St. John, as if it were under the impression that no man in Canada thought that shipbuilding should be encouraged or undertaken in the Dominion except himself. Finally, in the same debate, Mr. J. G. Turriff remarked; **"We in Canada ought to be able to build ships as well as they can in the United States and it would appear to me to be good policy to take this matter up in earnest. My own feeling is that we should take off every vestige of duty on everything that goes into the construction of a ship."**

But still nothing was done and nothing has been done. Instead, the government still persists in its protectionist or high tariff stand, even in the matter of tractors, which the finance minister is reluctant to admit free of duty except on conditions which will restrict Canadian enterprise. There is no reason why tractors cannot be built in Canada as well as ships. In no way is the baneful influence of a high tariff being more clearly revealed than in such instances at a time like this, when artificial restrictions are hampering every attempt of the nation to play its part in the great industrial rally upon the success of which the war depends. And yet, the Borden Government are doing nothing except to stand by and see the Imperial Government do what our Canadian Government should have undertaken two years ago. As late as April 26th 1917 the only answer the Government could make regarding shipbuilding in Canada was as follows in reply to a question asked in the House of Commons by E. M. Macdonald, M.P. **The Government has under consideration the question of the best mode of aiding the extension of shipbuilding in Canada.**

WHAT IS AN "IMPROPER ACT."

As Lindsay on Saturday April 28th, Sir Sam Hughes stated:

"Although the (Meredith Duff) Commission sat for many weeks, costing a tremendous sum of money, not one solitary improper act on the part of any one concerned was found."

We would draw Sir Sam's attention to Allison's million dollar rake off, and the one hundred and five thousand dollars gift to the lady stenographer. If that does not constitute an improper act we would ask Sir Sam to state what in his opinion is an "improper act."

FREE WHEAT AT LAST.

IT IS always an amusing and edifying spectacle to see a good idea struggling through the heads of the Conservative Government. For years they have had it dinned into their ears that the Western Canadian Farmers should be allowed free access for their wheat to the United States market. At first they point blank refused to countenance the idea at all. It was new, and therefore, from a Conservative standpoint, must be wrong. It would interfere with the Railway and other vested interests, the inviolable maintenance of which is the pet doctrine of Toryism. Moreover it was high treason to even think of having "truck or trade with the Yankees." It was of no avail to point out that the United States' market was the natural market for our Western producers, and that while the Government might for revenue purposes have the right to regulate the price which the farmer has to pay for his commodities, they had no moral right to refuse him the right to sell his produce where he pleased. The Government could not see the matter from the farmer's standpoint at all; they viewed it solely from the point of view of the big interests, and went directly in the face of the soundest political economy, to wit, that of selling one's produce in the best market.

The Result of Liberal Advocacy.

But the farmers, and the Liberals who championed their cause, were not to be denied. At almost every Session of Parliament a resolution favoring the idea was introduced and supported by the whole Liberal contingent, but defeated by the overwhelming party vote of the Conservatives. The Government, however, never felt sure of their ground. At heart they were impressed with the merits of the case, and their defence was, consequently, lame and halting. We honestly believe that they would have liked to accept the idea, but fear of the interests withheld their hand. Then came the awful war with its topsy turvy results in matters and questions political. With the outbreak of hostilities wheat started to jump in price and kept increasing, to the great benefit of the Western farmer. The high prices naturally pleased the farmer and minimized to some extent his legitimate grievance of being denied free admission of his products in the American market. The point we wish to make in this connection is that there was very much stronger reason and necessity for taking action years ago when the price of wheat was less than \$1.00 per bushel than there is to-day, (although the reasons are more than sufficiently strong to-day) yet the Government denied the farmer his rights when he needed them most and when it was an actual living necessity that he should have them.

Government Acted Unwillingly.

But although the idea has at last struggled through the heads of the Government they surrounded their acceptance of it with circumlocutory phrases and verbiage intended to confound, but which nevertheless makes clear the impression

Fresh — Fragrant and

Delicious

'SALADA'

is laden with the invigorating and refreshing qualities that are only to be found in perfect tea, fresh from the mountain gardens of Ceylon.

that they would not have acceded to the farmers' demand if it had not been for the conditions created by the war. They are unwilling to admit that the farmer was right so the war is dragged in and used as the cloak and excuse. Then too, they had to justify themselves, to their friends the vested interests, railway and other, and that broad phrase "war conditions", which has been used to cover a multitude of political sins, was again brought into requisition. And what of the 1911 cry about having "No truck or trade with the Yankees?" Well! they simply swallowed that holus bolus. They never really believed in it anyway. It was their favorite election cry, and, having served its purpose, they care not what becomes of it.

Farmers Will Smile.

The Western farmers, who as a class are particularly intelligent, will doubtless smile inwardly when they read the Order-in-Council on the subject. They, better and quicker than anyone else, will realize that the belated move of the Government is for political purposes—in view of the possibility of early Provincial and Dominion elections—and is the direct result as we believe, of the political excursion recently made in the West by the Hon. Arthur Meighen, Solicitor General.

Though the act of the Government is of the nature of a deathbed repentance, we welcome it, congratulate them upon it, and earnestly urge them to go further by making all food stuffs free of customs duty.

May we say in conclusion that the remarkably volte face of the Government has provided much amusement to the general public, and is another illustration of the hypocrisy of Conservative politicians when they are striving to remain in office.

FREE WHEAT, WHEAT FLOUR, AND SEMOLINA.

The following is a copy of the Order in Council passed on April 10th 1917, granting Free Wheat, Wheat Flour and Semolina.

His Excellency
The Governor General in Council.—

Whereas the Minister of Finance reports that certain conditions arising out of the War seriously affect prices obtainable in Canada for wheat, especially of the lower grades;

And whereas in normal times there exists a good commercial export demand for milling purposes from Great Britain and the Continent for wheat of all grades;

And whereas this demand has for some time past almost entirely ceased on account of shortage of ocean shipping (due to submarine warfare), practically all available tonnage being required to transport grain of the higher grades and flour made therefrom, purchased in Canada and the United States by the British and Allied Governments for their respective needs;

And whereas in consequence of this condition much Canadian wheat is being exported to the United States market for sale there, notwithstanding the customs duty payable thereon under the provisions of the United States tariff;

And whereas from enquiries recently made from the Board of Grain Commissioners for Canada and other authentic sources the Minister of Finance is satisfied that the prices now prevailing in Canada for wheat, particularly of the lower grades, are, owing to the cause above mentioned, much lower than the prices obtaining therefor in the United States; in fact there are strong grounds for the belief that advantage is being taken of the situation to maintain prices of the said grades at figures lower than are warranted by general market conditions, and from information at hand it appears that there still remains a large amount of last year's Canadian Crop unmarketed;

And whereas it is desirable at a time when a special appeal is being made for increased agricultural production to supply grain and food stuffs to Great Britain and her Allies, which now include the United States of America, that the Canadian farmer should feel that he will obtain the best market prices obtainable for the product of his industry;

And whereas the Minister of Finance is of opinion that it is in the circumstances advisable that such action should be taken which will give to Canadian wheat free access to the markets of the United States in lieu of the commercial markets of Great Britain and on the European continent formerly available under the conditions then existing, and, with this object in view, he directs the attention of His Excellency to certain provisions of the Customs Tariff of the United States. By item 664 thereof, wheat, wheat flour, semolina, and other wheat products, shall be entered free of duty from countries which do not impose a duty on wheat or wheat flour or semolina imported from the United States; otherwise the duty upon wheat is fixed at ten cents per bushel and upon wheat flour at forty-five cents per barrel and upon semolina and other products of wheat ten per centum ad valorem;

And whereas if Canada should place wheat, wheat flour and semolina upon the free list our wheat and wheat products would gain free entry to the markets of the United States.

And whereas it is desirable in the national interest that, for the reasons stated above, free access should be obtained to the markets of the United States for Canada's wheat.

Therefore His Excellency the Governor General in Council, under the authority of the War Measures Act, 1914, Section 6, is pleased to order and it is hereby ordered that wheat, wheat flour and semolina be transferred to the list of goods which may be imported into Canada free of duty of Customs.

(Sgd.) Rudolphe Boudreau,
Clerk of the Privy Council.

Free Wheat—a Temporary Expedient.

WHY the Borden Government placed wheat, wheat flour and semolina on the free list by Order-in-Council under the War Measures Act, instead of by an Act of Parliament will doubtless long remain a mystery. The Order-in-Council placing these articles on the free list was passed exactly 72 hours before Parliament reassembled, on April 16th. In fact Parliament was in adjournment only when this Order-in-Council was passed. Surely after waiting for six years, a further delay of 72 hours would not have seriously affected the country and then wheat, wheat flour and semolina could have been placed permanently upon the free list by an Act of Parliament instead of temporarily by an Order-in-Council under the War Measures Act. Therefore some cause other than has been given must be the reason why this action was taken by Order-in-Council instead of by an Act of Parliament.

Government not Sure.

That the members of the Government themselves had doubts as to the permanency of their action is proven by the fact that immediately after passing the Order-in-Council they requested the Deputy Minister of Justice to give a legal opinion as to whether the placing of wheat, wheat flour and semolina on the free list by Order-in-Council was of the same effect as by statute. The following is the opinion of the Deputy Minister of Justice above referred to.

I have considered upon your suggestion the effect of the Order-in-Council of 16th instant, whereby His Excellency the Governor General in Council directed under the authority of the War Measures Act, 1914, that wheat, wheat flour, and semolina should be transferred to the list of goods which may be imported into Canada free of duty of customs.

Section 6 of the War Measures Act 1914 confers upon the Governor in Council very comprehensive powers to make such orders and regulations as he may by reason of the war deem advisable for the peace, order and welfare of Canada, and for greater certainty, but not so as to restrict, it is declared, that these powers extend to all matters coming within certain classes of subjects specially mentioned, among others, "trade, exportation, importation, production, and manufacture." It is provided, moreover, that all such orders and regulations shall have the force of law.

This section has always been interpreted and acted upon as intended to confer legislative powers, and I am of opinion that that intention is expressed with a sufficient aptitude, and that therefore the legislative powers of Parliament, within the purview of the section, have been delegated to the Governor in Council. Moreover, having regard to the narrative of the Order in Council, the power executed in the sanctioning of the Order in Council, appears to fall very clearly, not only within the general description of powers, but also within the special enumeration to which I have referred. Therefore I am of opinion that the Order in Council became effective as from its date permanently to remove the duty imposed by the customs tariff from wheat, wheat flour,

and semolina, and that these products accordingly become free of customs duty, and will remain free unless fresh duties be imposed by or under the authority of Parliament.

This proves conclusively that at the time the Government passed this Order-in-Council they, themselves, had doubts as to the permanency of their action.

Liberals Congratulate Government and Ask by Resolution that Wheat be Placed on Free List by Statute.

The Liberals, who for years have been advocating, free wheat, free wheat products, free agricultural implements, etc., etc. took the first opportunity of congratulating the Government on its action of placing wheat, wheat flour and semolina on the free list, and requested by resolution in the House in the following terms that it be made a permanent measure. On April 24th, 1917, Mr. J. G. Turriff, Liberal Member of Assiniboia, Sask., moved in the House the following resolution:

That all the words after the word "That" be struck out and the following substituted therefor:

This House desires to take the earliest opportunity of expressing its pleasure that the Government has at last yielded to the persistent demands of the Grain Growers of the West as frequently set forth by delegations and resolutions of the representatives of the farming interest, and repeatedly voiced by the Liberal party in this House, by placing wheat, wheat flour and semolina on the free list, and thereby securing a free market for wheat and wheat products in the United States.

This House is of the opinion that if the policy of Free Wheat is made permanent it will enormously increase the prosperity of the West and be to the general advantage of the whole Dominion.

In order that the country may be assured of such permanency and that the action of the Administration is not a mere temporary expedient which may be revoked at any time by the Government without reference to Parliament, this House would urge upon the Government the desirability of submitting early in the present session a measure to place by statute wheat, wheat flour and semolina on the free list, and thereby encourage the farmers to engage in the largest wheat production possible.

Mr. Turriff in his speech alleged that the Liberals appreciated the action of the Government in placing these three items on the free list, but he feared that it was not the welfare of the farmer or the welfare of any particular class of people in the Dominion that the Government had in mind when placing these items on the free list, but that the Government did it for the purpose of aiding their party in the face of a coming general election.

Conservative Member Says It Is Only a Temporary Measure.

On Tuesday, May 1st, 1917, when Mr. James Morris, Conservative Member for Chateauguay, Que., was speaking on the Budget he stated as follows:

"We have heard a great deal about free wheat. "I was somewhat surprised to hear the hon. member for Huntingdon (Mr. Robb) criticise that measure. "Like many of his friends in the past, he has agitated in favour of free wheat. In rejecting that measure the Government did perfectly right, and

"I am pleased to say that this measure is not a policy; it is simply an emergency measure."

"It was done to meet the extraordinary conditions that have been brought about by the submarine warfare. I am glad that we have a Government that is large enough and broad enough in mind to meet the situations of that kind. I believe that this is not going to be a permanent policy, because I do not believe that free wheat would eventually be a benefit to farmers of the West."

When Mr. Morris made this statement there were scores of Conservative Members sitting around him in the House all of whom cheered and applauded.

Mr. Turriff's Resolution Defeated.

After discussing for some days Mr. Turriff's resolution, finally on Thursday night, May 10th, 1917, a vote was taken in the House of Commons when the resolution met defeat at the hands of the Government and its supporters, a solid Conservative Party voted against the resolution, while a solid Liberal Party voted for it. The Government therefore, while having placed wheat, wheat flour and semolina on the free list by Order-in-Council, have officially refused to make it statutory by Act of Parliament.

HAMILTON LIBERAL CONFERENCE.

THE third of the Liberal Conferences was held at Hamilton on April 9th and 10th for the Counties of Wentworth, Lincoln, Welland, Haldimand, Norfolk, Brant and Oxford. The gathering convened on the afternoon of the 9th in the Liberal rooms, and after an address of welcome by John Lennox, President of the Hamilton Liberal Association, the delegates proceeded to organize the meeting. Hon. Geo. P. Graham, M.P. was elected chairman, Thomas Marshall, M.P.P. Dunville, vice-chairman; and Mrs. Harrison, Hamilton, vice-chairwoman. Of the 400 delegates present a hundred or more were women, and they took their part in all the discussions. A resolution committee was appointed composed of two from each riding in the counties represented with Alexander Smith, Ottawa as chairman. Seven resolutions were moved, seconded and adopted after full discussion. This gave occasion for anyone who so desired to speak with the result that during the afternoon 25 short addresses were delivered.

In the evening a banquet was held at the Royal Connaught Hotel, the guests numbering over 500, 125 of whom were women. The speakers were John Lennox, Hamilton, Chairman; Hon. Geo. P. Graham M.P.; N. W. Rowell, K.C., M.P.P., Toronto, Mrs. G. G. S. Lindsey, Toronto; H. H. Dewart, K.C., M.P.P., Toronto, D. J. McDougal, ex-M.P.P., Ottawa, F. F. Pardee, K.C., M.P., Sarnia, C. M. Bowman, M.P.P., Southampton; Geo. S. Gibbons, London and others.

On the morning of the 10th at the club rooms, the women met at 9 o'clock and decided to conduct their own organizations separately from the men's organization and when the general meeting was resumed at 10 A.M. the women joined in the discussion with the men on organization matters generally.

SIGNS OF A DOMINION ELECTION.

THERE is an abundance of evidence pointing to a general election in the near future. The Government is clearing the decks for the contest and while undoubtedly a vigorous and determined effort will be made to place the onus on the shoulders of the Liberals, there will be no hesitation on the part of the administration to utilize every available assistance to save the party from defeat. Various Ministerial utterances of comparatively recent date point to the belief that an appeal to the people cannot be much longer delayed.

A somewhat torpid Tory consciousness is gradually awakening to the realization that the Canadian people notwithstanding their intense personal interest and activity in the prosecution of the war, have concluded that the present Government has been, and blundered, in office long enough to enable a correct estimate to be made of its true worth, and that submission of the record to the polls is absolutely one of the first considerations for the country.

Voters Lists.

It is rumoured that a radical change in the preparation of the voters lists is under way, with modifications greatly to the advantage of the Government, and involving a very serious departure from the generally accepted principle in vogue for many years.

Free Wheat.

The action of the Order-in-Council Government on the question of free wheat upon the return from the West of the acrobatic mid-air contortionist Solicitor General, as well as the action of that great principle swallower the Minister of Finance who appears to be exceedingly restless at having to stay in Ottawa while the budget is under fire, instead of hieing himself forthwith to Washington to engage in a little "trade and truck" with the "Yankees" can be explained only on the ground that on the Western horizon the clouds are gathering, and that something must be done to temper at least, if not escape the fury of the oncoming storm.

The Highways Aid Bill.

Notice has also been given of the reintroduction of the highways bill and it can reasonably be expected that the new Highway bill will be on similar lines to the one introduced by the Borden Government in 1912. It is generally thought through the country that this highway bill of 1912 was killed by the Liberals. The facts are quite the contrary. Let us explain. When introducing the Highways Bill in 1912, the Hon. Frank Cochrane, Minister of Railways and Canals, stated that it provided "that a certain amount of money should be granted to the different provinces to build and improve highways," and Mr. Cochrane added later, "that the money will be divided the same as large subsidies for the different provinces." When the Bill was presented to the House the clauses providing that the money should be handed over to the Provinces, were eliminated. By a Government majority the Bill was forced through the House of Commons. In the Senate the Bill was amended to provide that the money should be handed over

to the Provinces for expenditure. The Government refused to accept these amendments and consequently the bill did not pass. On June 5th, 1913, the Government for the second time refused. Mr. F. B. Carvell M.P. however moved that the sum of \$1,500,000 provided for in the defunct bill be given as a subsidy to the various Provinces for the construction of highways, so that the money could be given to the Provinces for expenditure that year. This motion was ruled out of Order by the Conservatives and thus the Provinces and the Dominion have been refused the aid to highways to which they are justly entitled.

Assistance to the Returned Soldiers.

The Minister of Interior has given the following notice providing for the land and money grant to not only Canadian returned soldiers, but to all soldiers of the British Empire engaged in the prosecution of the war. We quote herewith the resolution:

Resolved: That it is expedient to establish a Board, to be called "The Soldier Settlement Board," consisting of three Commissioners, and to provide for salaries and expenses in connection therewith, and to empower the Minister of the Interior, at the request of the Board, to reserve such Dominion lands as may be required, and upon the recommendations of the Board, to grant a free entry for not more than one hundred and sixty acres of such reserved lands to any person who has served in the naval or military expeditionary forces of the United Kingdom or of any of the self-governing British Dominions or Colonies, and who has left the forces with an honourable record or who has been honourably discharged, and the widow of any such person who died on active service, subject to such conditions as in the opinion of the Governor-in-Council are necessary to secure the use of the land for the purpose for which it is granted; and further to provide that the Board may loan, upon such terms and conditions as may be prescribed, to any such settler an amount not exceeding two thousand dollars for acquiring land for agricultural purposes, payment of encumbrances on lands used for agricultural purposes, improvement of agricultural lands, erection of farm buildings and purchase of stock, machinery and equipment, the money to be expended under the supervision of the Board, and all expenditure made under the terms of this resolution to be paid out of such moneys as Parliament may appropriate for the purpose."

Imperial Preference.

From across the water also there comes evidences that in the Imperial Conference an effort is being made to obtain the endorsement of some form of Imperial Preference with which Sir Robert Borden and his contract-raising colleague, Robert Rogers, may hope to delude the Canadian people by a policy of more taxation concealed in the wrappings of ultra-Tory loyalty.

Publicity Campaign.

We also notice the following clipping from the Advertiser, Waterloo, Que.:

"We received last week a double column cut of Sir R. L. Borden, gratis, for which we take this means of acknowledgement, at the same time return thanks to the donor. The following was sent by the firm that made it:—"By arrangement this cut of Sir Robert Borden is sent you without charge for use from time to time as desired." This is the first time in the history of this paper that any Tory leader ever gave his profile to the ADVERTISER. We wonder if Sir Robert does the paying or does it come out of the pockets of the

people? Sir Robert over in England and this campaign work going on it looks as though an election was near at hand. Yes, we will use it from time to time, but it will be to show the people the man who is at the head of the Government allowing his followers to indulge in all kinds of graft. He should have included Bob Rogers in his donation."

Here is an indication that the old game of 1911 is to be adopted and paid advertisements illustrated and otherwise are to be furnished at exceedingly profitable rates to the press generally—in the hope

that some may be captured and where such is not the result that at least this highly paid for political buncombe of the Tory party may find its way into Liberal families as if they were the genuine utterances of Liberal origin instead of the clumsy products of muddled Tory brains.

If these few indications of activity on the part of a Government do not presage an immediate election—a large majority of the Canadian people will be surprised.

A DISH OF CROW.



EATING "FREE WHEAT" CROW.

DURING the discussions on the Reciprocity Agreement of 1911, and subsequently, whenever occasion presented itself, the Conservative party have vigorously opposed the placing of wheat and wheat products on the free Customs list. We reproduce herewith extracts from speeches delivered by prominent Conservatives protesting against the free entry of our Canadian wheat into the United States' market.

Sir Robert Borden speaking in the House of Commons on February 9th 1911.

"What is the meaning of the Transcontinental

"railway, as it is being built today? What is the meaning of the Georgian Bay Canal, as we propose it today? What is the meaning of the proposed enlargement of the Welland canal? Have these any real national meaning to the people of Canada if the lines of our trade and commerce are to be diverted so that in the future they will run north and south, instead of east and west as they have been doing?
 "To use a well-known expression, 'What we have will hold,' in that regard. But the proposals of this government, if they mean anything at all, seem to me to mean a complete, an unnecessary, an unwise departure from that path which we have pursued with so much success. That (wider

"markets) path has only one termination, and that is absolute commercial union with the United States of America. There cannot be much doubt, I think, about what that would man."

(See revised Hansard pages 3299-3306 and 3309.)

Hon. Sir Thomas White, Minister of Finance in the House of Commons on February 16th 1916.

" . . . I intend to maintain that the supposed advantage which the Canadian farmer is being led to believe he would obtain at Minneapolis, is largely, if not wholly, illusory.

" . . . The flour milling capacity of Canada is as follows: Canada has 550 mills, with a capacity of 100,000 barrels per day, or one-tenth of the flour capacity of the United States mills. I have given the flour milling capacity of the United States and of Canada, and it is to be pointed out that if we bring into effect the provisions of the Underwood tariff the Canadian milling industry will at once come into competition with the highly specialized flour milling industry of the United States, which, holding its own market, would at the same time seriously injure the Canadian milling industry.

" . . . I need not tell hon. members that upon the milling industry mixed farming largely depends for its well being. The offal, the bran which the farmers use for the rearing of their livestock, is of supreme importance to the farming community and this proposed change would have an important bearing upon the supply of bran and offal for the rearing of stock by those engaged in the mixed farming industry.

" . . . Having regard to all these considerations, we have been unable, after having given the question most painstaking attention, to bring ourselves to the view that so great a change, involving by possibility such serious consequences, should be favourable considered until at least we are more certain as to the outcome of our vast railway development and the result to the western grain grower of the opening of the competitive routes which will be afforded by the Hudson Bay Railway and the Panama Canal. It is surely the part of wisdom to await the outcome of the developments rather than to take a step now which might involve the risk of grave and irreparable injury to our milling industry and by consequence to our live stock industry and to our transportation systems through the diversion of traffic to routes other than Canadian.

(See revised Hansard, pages 863, 865, 866, 870 and 871.)

Hon. Geo. E. Foster, Minister of Trade and Commerce in the House of Commons, February 9th 1911.

"My count against this measure, stronger and deeper than any, is that it threatens the best and highest production in this country, that it threatens thereby the stream of interprovincial trade which is absolutely the life and essence of this country as a whole. It also vitally affects and changes the direction of the channels of trade and the great transport routes. Now, that does not need to be argued at all. Everybody admits that. . . . But, Sir, that this arrangement will virtually affect our transport system east and west, does not require any argument. (See revised Hansard pages 3339 and 3341.)

Speaking again in the House of Commons on February 14th 1911, Sir Geo. Foster stated.

"But the Finance Minister (Hon. W. S. Fielding) forgot to go any farther, forgot to trace out just what he was doing when he presented the gift of free entry of Canadian wheat into the United States market. He forgot to point out that the miller of the Canadian west, and the miller of the west United States, has in the end, after the local supply is satisfied, to find the same market in London and Liverpool. He forgot to point out that he made it possible for the United States miller to get Canada's No. 1 hard wheat, to mill it in the United States mills and satisfy the people in the United States who ask for high grade flours and pay fancy prices for them and then take the less strong flours and export them to the European market, which is largely, as I am informed, for those grades not the

"strongest and not the best.

Again on February 14th 1911, Sir Geo. Foster stated:

" . . . And now we come to President Taft's message to Congress. He carries out the very same idea:

"They are coming to the parting of the ways."

" . . . Who? Canada. What ways? One the broad highway that we began to construct in 1867 running transversely across this continent with its east-and-west lines and ending, for our market, in the grand old mother country, the emporium of the markets of the world. And what is the other way? It is the way brushed out and trailed by Messrs. Paterson and Fielding, leading off this old and well-beaten highway down amongst unknown obscurities and hazards, but ending in the United States of America. These are the two ways; and we are at the parting of the ways, says President Taft, and something must be done."

Also on April 23rd 1914, Sir Geo. Foster stated:

" . . . In so far as you encourage the idea that the raw wheat should be run off at a nearby market at an advantage on present prices, to that extent you strengthen the policy of taking one of the finest and most prolific of the products of this country out of Canada in its raw state and of taking with it the by-products which ought to find their place in our own country."

" . . . So it seems to me that a policy which would militate in favour of drawing the raw material out of the country rather than manufacturing it to the greatest possible extent in the country itself, would not be in the best interests of the Northwest itself."

Hon. Robert Rogers, Minister of Public Works in the House of Commons on February 17th 1916.

"The Canadian farmer is getting a good deal more for his wheat this year than the American farmer is getting for his, notwithstanding the statements made by hon. gentlemen opposite. The extravagant statements they put forth do not agree with the facts. Every person knows that in trading in wheat there is no wide margin for the trader, for there are too many in the business and the profit is limited by competition. The fact is that Canadian wheat commands a price at the American seaboard of from twenty to twenty-five cents a bushel more than the American wheat. That is one of the reasons why I say this House would fail in its duty to the farming community of Western Canada if it did not reject the resolution of my hon. friend." (See revised Hansard page 884.)

(The resolution referred to was one of the motions of Mr. J. G. Turriff, Liberal member for Assiniboia, Sask., asking that wheat, wheat products and potatoes be placed upon the free list.

Speaking again on February 23rd 1916, Hon. Robert Rogers, stated as follows:

" . . . Would it be wise, now that we are in sight of this commanding position in the English market, to adopt the resolution before the House and have our wheat go through American channels, and run the gauntlet of their methods of grading and trading, as described in the report I have just read to this House? Furthermore, in my judgment it would be a mistake for us to be entangled in any international agreement which might recoil on us in our preparations for the blessings of peace at the close of this war."

" . . . What would happen, Mr. Speaker, were we to adopt the resolution of the hon. member for Assiniboia (Mr. Turriff) to allow our wheat to go into the United States markets to engage in the mixing process that has practically ruined their trade in the markets of the United Kingdom, according to the authorities I have read? At best, it could have the effect of using but a small proportion of our good wheat, and that wheat would be mixed with a large volume of the poor wheat of the United States, and then our wheat and our flour would have to come into compe-

"tition with this product in the markets of the United Kingdom. I ask you, would that be fair either to the Canadian farmer or to the Canadian people as a whole?"

" Beyond question of doubt all these conditions justify us, having in view the interests of the farmers themselves, in rejecting this resolution, and thereby permitting these favourable conditions to continue.

(See Revised Hansard pages 1048 and 1049.)

Hon. Martin Burrell, now Minister of Agriculture speaking in the House of Commons on February 14th 1911.

" Now surely no man can avoid seeing where the Canadian people are drifting in this (reciprocity) matter. Canada is literally to be the hewer of wood, the drawer of water, the purveyor of food to the powerful nation which aims by such an arrangement to be the great workshop of the continent. The Prime Minister, willing to go one step, will soon be willing, or be forced, to take the other."

(See Revised Hansard page 3586.)

Hon. Arthur Meighen, now Solicitor General in the Borden Government speaking in the House of Commons on February 23rd, 1916.

" I have always believed, and never more than now, that at least ninety per cent of this free wheat issue is purely political, while, for the other ten per cent, it is economically unsound. We on this side have been charged in this House, ever since I have been a member of it, and with increasing emphasis since we arrived in power, with being allied with big interests in this country, with being blind to the cause of the farming community and unresponsive to their cries. I must say the repetition with which this subject has been advanced has been so monotonous as to become almost nauseating.

" I do not believe that it would be fair or just to the small millers of this country to take the duty off flour entirely. I believe they are interested in this, I believe that the farmers are interested in it, I believe the people of every part of Canada are interested in it, and I believe that under the conditions that exist today, if we have free flour these millers, all those dependent on them, and all in a similar position, could come to this Government and say: 'In the course you have taken, in removing the tariff from everything we have to sell, letting down the walls entirely between this country and every country in the world you are reversing the verdict of the people in 1911.'

(See Revised Hansard pages 1068, 1073.)

Mr. H. B. Ames, now Sir Herbert Ames Conservative member for St. Antoine Division, Montreal, stated on February 22nd 1911, as follows:

"Now suppose we take a bushel of wheat, for which the northwest farmer now get 85 cents. If that bushel of wheat passes eastward, along Canadian lines, the railway companies of Canada get 8 cents out of it, the inland shipping companies gets 4 cents, and the port of Montreal gets 1 cent before it leaves the country; therefore, \$1 altogether on that wheat is left in the country. Now supposing it is exported south. For the purpose of argument, I am willing to grant that the farmer gets 88 cents, and 2 cents more goes to the road that hauls it to the border, so there are 90 cents left in the country. All the rest of the money goes out of the country to the profit of the men in a foreign nation who handle that wheat. In the other case, \$1 is left in the country as an equivalent of that bushel of wheat; and in the other case, 90 cents is left in the country, which, from a national point of view, is not satisfactory. See Revised Hansard, pages 4103 and 4104.

Mr. W. S. Middlebro Conservative member for North Grey, Ont., stated on March 2nd, 1911.

"My hon. friend says that last year we sent to the United States 25,000,000 bushels of wheat. I am only sorry to say we did. I think it does not say very much for the progress of Canada that we allowed 25,000,000 bushels of wheat to be transported over American roads and probably to be ground for us into flour thus

"depriving us of the bran, shorts and by-products which otherwise would have been available for the farmers on this side. Does he mean, by taking off the duty of 25 cents a bushel, to increase that unsatisfactory condition? If he does, then the wheat of the northwest is going to go that way. The lower grades of wheat are nothing more nor less than the raw materials of the farmers of this country, and if we ship out the lower grades of wheat we are shipping out that which we should keep for the purpose of feeding our hogs and cattle. Once more I say that you are in that respect doing injury to this country. See revised Hansard, page 4537.

Extract from speech of Dr. F. L. Schaffner, (Conservative M.P. for Souris, Man.) as taken from the Revised Hansard of May 2nd, 1911, p. 8289.

"As wheat is concerned, the United States grows a great deal more today than they can eat. They can only consume a certain quantity, and if they grow 127,000,000 bushels more than that, they must export it. Therefore, I do not see what advantage it is going to be to our farmers to be given free entry for their wheat to the United States.

Mr. G. H. Bradbury (Conservative M.P. for Selkirk Man.) taken from the Revised Hansard of April 5th, 1911, pages 6685 and 6694.

"And now at one blow this government threatens to divert the great trade of the west, south over American railroads to American cities to help to build up American centres, to assist in building up great American milling centres, to the destruction of our own milling centres, to the detriment of our own railways, and of our own country. If this compact is implemented I am satisfied that it means the diversion of over one-half the trade from the Pacific and western provinces south over American railroads. This means giving employment to hundreds of thousands of American citizens who ought to be employed in Canada; it means giving the carrying trade to American railroads after the large expenditure we have made to build our own railroads. It means that our wheat and the products of the west will reach Liverpool, the market of the world, in American instead of in Canadian or British bottoms. Our shipping interests will suffer nearly as much as our railways. Every bushel of Canadian wheat that goes through American ports will go through American elevators, and it can be mixed, and will be mixed, with American soft wheat to raise the grade of their wheat; it will be ground into flour in that mixed condition, and will enter into direct competition with our western wheat, tending to lower its grade and lower its price in the Liverpool market.

Extract from speech of J. W. Edwards, (Conservative M.P. for Frontenac, Ont.) taken from Revised Hansard, of July 24th, 1911, pages 10094.

" As to our wheat going to the American market, if it does go there the by-product of our wheat will go across the line also, and I would remind hon. gentlemen that the price of bran and shorts in Canada today is \$6 and \$7 a ton lower than in the United States, bran being quoted all through May and June in the United States at from \$29 to \$30 a ton and white shorts at \$34 a ton. If this pact goes through the Americans will have the benefit of the shorts and the farmers of Canada will have the shortage, and instead of the people of Ontario paying \$23 and \$24 a ton and the American \$29 or \$30 a ton the conditions will be reversed and the Canadian farmer will be paying the higher price.

Speech of Mr. S. Sharpe (Conservative M.P. for Ontario N. Ont.) taken from Revised Hansard, of July 26th, 1911, page 10317.

"In regard to spring wheat, it has been said, and I think it cannot be contradicted, that the surplus price is fixed by the price in Europe, and if Canada has any surplus it should be ground into flour within our own borders and not shipped to the United States in order to elevate the grade of their wheat and employ their mills and labourers."

THE ONTARIO LEGISLATURE.

Another session of the Ontario legislature now completed adds force to the contention that it is the Opposition which is governing Ontario and that it is their initiative and vigor which are bringing about beneficial legislation. In this 1917 session the following, among other measures to become law are Liberal policies advocated by the Opposition, Woman Suffrage, higher taxation of the nickel companies, loans for agricultural purposes, First Aid in Workmen's Compensation and control by municipalities of the production as well as the distribution of electrical energy under the Hydro system.

Although these reforms have been taken over and adopted by the government in co-operation with the Opposition, the details of the government bills in reference to some of them are not approved by the Opposition who would have dealt with the matters differently.

In nickel taxation, for example, the Opposition policy would have levied still higher taxation. The government's method for loaning money to farmers they consider a poor one, although the principle is one for which they have stood for years. The Opposition also opposes the government's plan for re-organization of the Department of Agriculture on the ground that it makes for complication, inexpertness and inefficiency.

Nickel.

The nickel question, far from dropping out of prominence as a controversial issue, as the Government seemed to anticipate, grew in public interest and attention during the session. The government, compelled by the constant urgings and disclosures of the Opposition, did increase the taxes on the nickel company. In spite of its illegal agreement with the Canadian Copper Company, whereby its taxes for the five years from 1912 to 1916 inclusive were fixed at \$40,000 a year, the government introduced a new Act making a new arrangement for 1916. The Minister of Lands, Forests and Mines admitted in the House that the company's tax for 1916 under the new Act would be approximately \$620,000 instead of the \$40,000 provided by the previous agreement, and the taxation for 1917 will be about \$1,000,000. This increase in revenue is a direct result of the agitation which has been carried on by the Liberals.

In addition to this increase in taxes the government has also taken a slight step towards the refining of nickel in the province, but on both these vital matters has refused to go nearly as far as the Opposition considered necessary.

First, in regard to taxes. The Liberals approved the Government's bill increasing the tax from 3% to 5% with a sliding scale of 1% additional for every \$5,000,000 extra annual profits, but they said that even this new tax was quite inadequate and that instead of 1% additional for every \$5,000,000 the rate should be 5%. Also whereas the Government is making their increase apply only to the one year, the Opposition says the new rates should apply to the earnings of the International Nickel Company during the whole of the five years of what they term the illegal agreement between the Government and the company. If the Opposition's contention had been followed the Provincial Treasury would be enriched by a far greater amount and the discrimination against the ordinary tax-payer would be that much less.

In regard to refining, the Government's Act provides that in the case of all nickel lands hereafter to be granted, the nickel must be refined in Ontario. The Opposition claims that this is entirely inadequate, and that it should apply also to the companies already established, including the International Nickel Company, and that all the nickel of Ontario should be refined either in Ontario, or at any rate in some part of the British Empire.

Ottawa School Bills.

On the third reading of the Ottawa School Bills Mr. Rowell spoke as follows:—

"I wish to again draw the attention of my honourable friend the Prime Minister to the matter I

mentioned when this Bill was in Committee.

"My honourable friend stated that if this Bill was the same as the Act which the Privy Council has declared to be unconstitutional it should not be introduced by the Government or passed by the Legislature. It is clear that this must be the case.

"No one could justify the introduction into the House of legislation which has been declared by the highest Judicial Authority to be unconstitutional, and the Government in doing so would be refusing to recognize or comply with the Judgment of the Privy Council."

"The Prime Minister will agree that the principle of the Bill is the same as that of the Act now declared to be unconstitutional, and it is intended to accomplish the same object, though under slightly different conditions.

"There must, therefore, necessarily be very grave doubts as to the constitutionality of this Bill.

"The Premier has stated that it is not the intention of the Government to bring the Bill into immediate operation, and he has introduced an amendment so as to provide that it shall not come into force until proclaimed by the Lieutenant-Governor-in-Council.

"Under these conditions, and in view of the importance of the matter I again ask my honourable friend the Premier if he does not think it would be wise and right in the public interest to refer the Bill to our Court of Appeal in the meantime under our Act with reference to the determination of constitutional questions, in order to have its constitutionality determined.

"We have been urging the Ottawa School Board to respect the decision of the Privy Council. It is, of course, equally important that the Government and the Legislature should do so.

"Might I also say a word with reference to the other Bill now before the House? It is to require the Ottawa School Board to pay expenses incurred by the Government Commission.

"The Privy Council has declared that there was no power to appoint this Commission, and that the Act under which it was appointed was unconstitutional. There may, therefore, be very grave question as to whether the Bill now before the House requiring the School Board to pay the expenses incurred by the Commission is constitutional, because you are requiring the School Board to pay expenses incurred under an Act which the Privy Council has declared unconstitutional.

"Both the Ottawa School Board and the Government should accept not only the letter but the spirit of the Privy Council decision and give effect thereto. In the interests of all concerned this should be done.

"I therefore again ask my honourable friend if he does not think the constitutionality of both these Bills should receive further consideration."

In reply Premier Hearst said he agreed that the greatest care should be taken in dealing with this matter. He had consulted with counsel with reference to Mr. Rowell's suggestion that the matter would be given the most careful consideration and no hasty action would be taken. As the Leader of the Opposition had stated, the government now had power under their own Act to refer the matter to the court for decision.

Sir William agreed that there should be no attempt on the part of the government, directly or indirectly to disobey the judgment of the Privy Council and he declared that it was the government's desire and intention to give the whole question the most careful consideration.

Race Track Gambling.

Race track gambling is one of the issues introduced by the Liberals which grew into front rank importance during this session of the legislature. Not only did the Liberals conduct an investigation in the Public

Accounts Committee as to the relation of the Solicitor to the Treasury with Dr. Reaume and Grant Hugh Browne of New York in his attempts to get a license in Windsor, but they also brought the matter directly before the House in a resolution regretting that the government had increased the number of licenses for race tracks, even since the war, deprecating corporate race track gambling for a share of the profits and urging the government to reverse its policy and take steps against this evil, driven out from the States and now seeking refuge in Ontario. The government declared that it would do everything it properly and justly could to prevent illegal race track gambling within the province.

Sam Carter said the people of the Province of Ontario would never listen to any excuses. If there was race track gambling after this they would fasten the responsibility on the government. He felt optimistic for he believed that with the addition of the women to the voters of the province this evil as well as others would be cleaned up. Mr. Proudfoot, who moved the Liberal's resolution, demanded that the government should take prompt action, for things were being carried on in the province which were not in the interests of the people.

Suspension of By-Elections.

During the last evening of the session the Prime Minister proposed to suspend the law requiring the holding of by-elections within three months after a vacancy occurred. The Prime Minister said he had come to the conclusion that this was not the time to bring on by-elections when the nation was in agony and when the very life blood from every constituency was being poured out in the trenches of France and Flanders. He asked for the suspension of the clause "only in the case of deaths" for he did not want to leave open any opportunity of office that men might receive for any selfish purpose. He said that in making this motion he had no political motives.

The two constituencies affected at present are Lennox and Manitoulin.

The government's plan was not opposed by the Opposition. Mr. Rowell has made a statement on the question as follows:—

"In this most critical stage of the war I would prefer giving my time to assisting in the patriotic work so urgently needed to support our men at the front and to increase production, than to be engaged in by-elections, no matter how great the party's success; and when we were suddenly asked to decide the question in the closing hours of the session, I felt that while the by-elections would mean further party successes, we would best be serving the public interests if we sacrificed any party advantage which might thus accrue to us. . . . Our present parliamentary term expires next year; It will then be necessary to have a general election whether the war is over or not, and only by a general election can we secure what the electors evidently desire to have—a more progressive efficiency and economical administration."

Regarding the representation of vacant seats in the meantime, Mr. Rowell says he recognized that this was a matter of very great importance to each local constituency concerned. "Because of this" he said, "I pointed out in the House that it was unfortunate the government should have brought down this important proposal during the very closing hours of the session, when there was no opportunity whatever to consult the electors in the local constituencies affected. It certainly was not right to leave the matter over so long. It was unfair to the men in these ridings as well as to the members of the House, but the government took the responsibility of saying that they believed it was in the public interests that by-elections should not be held in these constituencies at this time, and that they should remain unrepresented until the general election next year. We did not relieve the government from this

responsibility, but we decided not to oppose their proposal."

By-Election Record.

By-elections in Ontario usually go with the government in power whatever that may be, but the records since 1914 present a change. Now that the Opposition has agreed to the government's proposal that there should be no more by-elections during the war for seats vacated by death, it is a good time to review the situation, when the by-election record is closed.

Since 1914 there have been seven by-elections, some in rural and others in urban constituencies and in different sections of the province.

1. If in a general election the Liberals in the constituencies now represented by government members reduce the government majorities but not more than the smallest reduction they have made in any bye-election, the government will be defeated.

2. If the Liberals reduce the government majorities by the average reduction secured by them in all the seven bye-elections the result approximate will be as follows:—Conservatives 17; Liberals 94.

3. If the Liberals reduce the government majorities by only one-half of the average reduction in the bye-elections, the Liberals would have a majority of about 35.

4. If the Liberals reduce the government majorities by no more than one-third the average reduction secured in the by-elections, the government will be defeated and the Liberals will have a working majority of seven.

History and Mathematics.

Charles Bowman, Chief Liberal Whip and his friend Nelson Parliament, member for Prince Edward County, have evidently been reading some history recently and doing some mathematics. At the Hamilton dinner Mr. Bowman, who shared the credit with Mr. Parliament, brought forth a brand new story on Government House, and one which probably aroused more interest than any other individual incident at the banquet. Its outlines were as follows:—

1. Total cost of Government House, \$1,098,894.52.
2. At what time would a man have had to begin setting aside the sum of \$500 yearly, without interest, to reach this total?
3. (a) Would it have been at the time of the Battle of Waterloo? Before that.
- (b) When Columbus discovered America? Before that.
- (c) When King Alfred burnt the cakes? Before that.
- (d) The beginning of the Christian era? Before that.
4. It would have been 280 B.C.
5. At this period in Roman history it was twenty years before the opening of the Carthaginian Wars. In Greek history it was shortly after the death of Alexander the Great. In Egyptian history it was the age of Ptolemy II—230 before Cleopatra.

ANOTHER WOMEN'S LIBERAL CLUB STARTED.

At Nelson, B.C. a Women's Liberal Club has been organized with the following officers:

Honorary President.....	Mrs. Ralph Smith,
President.....	Mrs. W. J. Mohr,
Vice-President.....	Mrs. F. R. McCharles,
Secretary-Treasurer.....	Mrs. W. J. Gerbracht.

EXECUTIVE BOARD.

Mrs. N. Murphy.	Mrs. J. P. Vroom.
Dr. Isabel Arthur.	Mrs. W. J. Meagher.
Mrs. G. H. Fraser.	

Send for a beautiful colored Portrait of the Rt. Hon. Sir Wilfred Laurier, G.C.M.G. Size 19x23, Price 25 cents. Apply CANADIAN LIBERAL MONTHLY, OTTAWA.

THE BUDGET SPEECH

ON Tuesday, April 24th, 1917, Sir Thomas White, Minister of Finance, delivered his Budget Speech. For brevity it was a masterpiece as it took Sir Thomas less than thirty minutes to present his statement to the House. In fact what he omitted was as important and of as great interest to the country as what he stated. Sir Thomas gave the House a financial statement classified under five headings, namely, Revenue, Expenditure, Debt, Trade and New Taxes. He did not go into the details of the War Expenditures he said nothing in regard to the huge expenditures overseas, of the way the soldiers rations and equipment are being supplied, and what it is costing, nothing of what is being done to aid returned soldiers, or the enormous expenditures in connection with the Hospital Commission work. Private reports are being distributed from Conservative Headquarters as to the great assistance Canada is rendering to the British Empire in supplying money for the manufacture of Munitions, but Sir Thomas absolutely refrained from making any official Statement when the opportunity arose. Canada is raising hundreds of millions of dollars for this purpose. The Finance Department is spending millions of dollars in advertising and raising these loans, yet in Sir Thomas White's judgment how this money is being spent was not worthy of even a passing remark in his annual financial statement to the House and the country. In short Sir Thomas said as little as possible and withheld as much as possible.

We give herewith some quotations from Sir Thomas' speech and endeavour to show briefly why Sir Thomas manifested good judgement, from his point of view, in not stating more than he did.

Revenue.

Sir Thomas White stated:

"For the first year of the war the revenue from all

sources was about \$130,000,000. It rose during the second year to \$170,000,000. For the year ended March 31st, last, I am happy to say our income will reach \$232,000,000 or \$130,000,000 in advance of the fiscal year 1915."

"In round figures, \$134,000,000 of the aggregate was derived from customs, \$24,000,000 from Excise, and \$12,500,000 from the Business-Profits War Tax."

From these figures it will be noted that 58% of the revenue was derived from Customs Tariff, a direct tax upon the people of Canada.

That 10% was derived from excise.

That 6 1/2% was derived from War profits, thus leaving 25% to be made up out of Public Works, Post Office, Dominion Lands, etc. and etc. Will the people of Canada be satisfied to pay from Customs Revenue 58% of the taxes and out of the War Profits 6 1/2% only? The masses are compelled to pay while the War Profiteers are permitted to go, practically unmolested.

Revenue of Great Britain.

Great Britain's total revenue for the year ending March 31st, 1917, was \$2,867,137,900 collected as follows:

Excess War Profits, \$699,600,000 or 24.3% of the whole.

Income and property tax, \$1,025,065,000 or 35.77% of the whole.

Customs, \$352,805,000 or 12.21% of the whole.

Excise, \$281,900,000 or 9% of the whole.

The remainder being secured from various sources in the Government service.

In order that Canada's system of taxation may be compared with the system of taxation in Great Britain and be more easily understood we would ask our readers to carefully study the following table.

	CANADA'S REVENUE.		GREAT BRITAIN'S REVENUE.	
	Canada.	Percentage of the whole.	Great Britain.	Percentage of the whole.
Total Revenue.....	\$228,217,270		\$2,867,137,900	
Excess war profits.....	12,500,000	5 1/2%	699,600,000	24.43
Income and property tax.....	Nil.	Nil.	1,025,065,000	35.77
Customs.....	134,000,000	58%	352,805,000	12.21
Excise.....	24,000,000	10%	281,900,000	9.77
Miscellaneous including Post Office Railways, etc.....	57,717,270	27%	507,767,900	17.12

Expenditure.

Sir Thomas stated:

"Leaving aside for the moment our direct war expenditure, our outlay for the past year was upon ordinary account \$145,000,000 and \$27,000,000 upon capital and subsidy account, or a total of \$172,000,000.

Taking our total revenue at \$232,000,000 and our total current and capital expenditure at \$172,000,000, we find that during the past fiscal year we were able to pay from our income all current and capital expenditure.

"All charges of interest upon our increased national

debt, all pension outlays, and in addition devote the sum of \$60,000,000 to payment of the principal of our war expenditure."

One very noticeable feature of Sir Thomas White's Budget speech was that when he gave the revenue he compared it with the revenue of former years, but when he reached that portion of his speech dealing with expenditures, he neglected to mention the expenditures of the Borden Government for the past five years; probably having in his mind

Sir Robert Borden's famous manifesto of 1911, in which he stated that the increase in what is known as ordinary controllable "expenditure of \$79,000,000 in 1910 is proof of extravagance beyond any possible defence and establishes a prima facie case of corruption." Had Sir Thomas attempted this he would have been obliged to state that the consolidated or controllable expenditure for the last four or five years, had been exceedingly large and that his Government had spent from consolidated or controllable expenditure, absolutely exclusive of war expenditures, from \$30,000,000 to \$40,000,000 a year more in the War period than the Liberals did in 1911 when the Dominion was at the height of prosperity.

The following are the expenditures for the last eight years on consolidated or controllable expenditures:

1908-1912		1912-1916	
Under Liberal Rule.		Under Tory Rule.	
1908-09.....	\$ 84,064,232	1912-13.....	\$112,059,537
1909-10.....	79,411,747	1913-14.....	127,374,472
1910-11.....	87,774,198	1914-15.....	135,523,206
1911-12.....	98,161,440	1915-16.....	130,350,726
Total.....	\$349,411,617	Total.....	\$505,313,941

In other words, the Government's "controllable" expenditure for the first four years of its regime (absolutely exclusive of War expenditure) exceeding that for the last four years of Liberal rule by \$155,902,324, or by nearly 45 per cent.

Debt.

With regard to the Debt, Sir Thomas White said:

"Since the beginning of hostilities our total war outlay, including estimated and unadjusted liability to Great Britain for the maintenance of our troops at the front and inclusive of withheld pay, totals, so far as we can calculate, about \$600,000,000. As the result of this large war expenditure, the net national debt of Canada, which was \$336,000,000 before the outbreak of war, has risen to over \$900,000,000, although this will not be shown by our official statements for some months to come. By the end of the present fiscal year it may reach \$1,200,000."

Sir Thomas admits that our National debt will be \$1,200,000,000 by the 31st of March 1918. In making this estimate has he included all the bills which are accumulating in Great Britain for the equipping and care of our soldiers?

Munitions Must Be Paid For.

Canada has also agreed to pay her share of the guns and munitions which the Canadian soldiers are using at the Front, and the question is, what will this cost? Sir Thomas might reasonably have been expected in his Budget speech to have referred to this, but he chose otherwise.

Canada is Supplying One-Tenth.

Great Britain has approximately 4,000,000 men in the field and Canada has 400,000 or ten per cent.

It is only reasonable to expect that the Canadian soldiers will shoot at least one-tenth of the total amount of ammunition used by the British and Canadians at the Front. The question now arises, what proportion of the munitions being manufactured will Canada have to pay for?

Reliable statements have been published that in Great Britain 2,000,000 persons are working on munitions for the British and that in the United States at least 250,000 persons are working for the same purpose. Thus we find that outside of Canada in Great Britain and United States at least 2,250,000 persons are working on munitions for the British.

The Chairman of the Canadian Munitions Board says that in Canada 250,000 persons are working on munitions. If we take the trouble to make the ordinary deductions from these figures it is found that, first, Canada has approximately one-tenth as many soldiers in the field to fire ammunition as has Great Britain, consequently Canadian soldiers will fire one-tenth of the ammunition being manufactured for the British. Secondly, that in Canada there are approximately one-tenth of the number of persons working on munitions as compared with the number of persons in Great Britain and the United States working on munitions for the British, consequently Canada is supplying not more than one-tenth of the total ammunition being manufactured for the British.

Canada Will Have to Pay One-Tenth.

From these figures it is evident that Canada compared with Great Britain is supplying one-tenth of the number of soldiers and is manufacturing one-tenth of the ammunition. Therefore if Canada has to pay her proportionate share of munitions used at the Front, and it is one-tenth, she will eventually have to pay for every dollars worth of ammunition that is being manufactured in Canada to-day, which is approximately one-tenth.

We can now see why Sir Thomas White omitted any reference to this matter in his speech. If as is stated by a member of the Munitions Board we have already in Canada manufactured \$850,000,000 worth of munitions, and that at least \$600,000,000 or \$700,000,000 more are ordered, it can be assumed that providing the war ends within the next year, Canada will be called upon to pay, for munitions alone, well over \$1,000,000,000. This added to the already heavy debt which Sir Thomas says at the end of the fiscal year will be \$1,200,000,000, is serious and a matter which our Government and our Canadian people must think over seriously.

Extra War Taxes.

The resolution moved by Sir Thomas in regard to Extra War taxes is as follows:

Resolved, that it is expedient to amend the Business Profits War Tax Act, 1916, by providing:—

1. That in any business taxable under the Act where the annual profits exceed fifteen per centum per annum the tax shall be increased to fifty per centum with respect to all profits in excess of the said fifteen per centum but not exceeding twenty per centum per annum, and where

the profits exceed twenty per centum per annum the tax shall be increased to seventy-five per centum with respect to all profits in excess of the said twenty per centum, and such increases in the tax shall be levied against and paid by the person owning such business for each and every accounting period ending after the thirty-first day of December, one thousand nine hundred and sixteen;

2. That for the purposes of the said Act, the actual unimpaired reserve, rest or accumulated profits held at the commencement of an accounting period by an incorporated company shall be included as part of its capital as long as it is held and used by the company as capital;

That any enactment founded on this resolution shall be deemed to have come into force on and from the eighteenth day of May, one thousand nine hundred and sixteen;

3. That the tax shall be paid each year within one month from the date of the mailing of the notice of assessment;

4. That with respect to every business liable to taxation hereunder the period for which the returns shall be made and during which it shall be liable for assessment shall be at least thirty-six months, commencing with the beginning of the first accounting period ending after the thirty-first day of December, 1914, or for such less period as the business may have been carried on from the beginning of the said accounting period to the end of the period for which the said tax may be levied under the said Act.

War Taxes Too Late.

To say the least these war taxes are imposed two

years too late. After the large war profits have been made and manufacturers generally have reached a somewhat sound basis of manufacturing with large profits practically eliminated, Sir Thomas imposes additional taxes on the Business Profits of our manufacturers. Just what these additional war taxes mean can best be described by quoting from a speech delivered in the House of Commons by Sir Herbert Ames, Conservative member for St. Antoine Division, Montreal,

Supposing you have a business with a capital of \$100,000, and supposing that business, under war conditions, makes a profit of 25 per cent or \$25,000. How much will that business pay under the old arrangement and how much under the new? Under the old arrangement, the first \$7,000 was exempt, the taxation being only on \$18,000. Twenty-five per cent on \$18,000 is \$4,500, so that the net profit on the business that was making \$25,000 would be \$20,500 or 20½ per cent, and the Government would receive 4½ per cent of the entire 20½ per cent profit. Under the new arrangement, the first \$7,000 is exempt as before, leaving \$18,000 to be taxed. The first \$8,000 will be taxed 25 per cent; the next \$5,000 will be taxed 50 per cent and the next \$5,000 will be taxed 75 per cent. That will work out at \$7,750, so that out of the \$25,000 earned, that firm under the new taxation will have to pay \$7,750 or 7¾ per cent to the Government, and will retain \$17,250 or 17¼ per cent. In other words, when the firm reaches the stage of where it is making profits of 25 per cent and upwards, it will give to the Government double the amount it did under the taxation prior to this measure.

BUSINESS WAR TAXES.

What the "Financial Times" of Montreal is Saying.

Canada expects this day that Sir Thomas White will do his duty and withdraw injurious tax plan.

Canada's new profit taxation scheme is tantamount to putting brake on Canada's development.

Sir Thomas White puts hands on throat of Canada's production capacity by iniquitous taxation.

United States steer clear of taxation that will in any way cripple the country's enterprise.

Government actually placing a lien on the profits derived from progress and enterprise.

Amounts to class legislation when all forms of industry and trade are benefit-

ing directly and indirectly from successful operation of our great Industrial companies.

Simply a tax on experience and administrative capacity.

Wages will decrease and labour lose great opportunity.

Income tax in some form should be adopted.

The above coming from the "Financial Times" a paper which has for some time strongly supported Sir Thos. White and the Government is significant.

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\$90,000 MAIL CONTRACT WITHOUT TENDER.

The Post Office Department continues in its usual high handed manner of letting mail contracts without tender. On June 24th, 1916, they let a contract to J. C. Shields of the Inland Express Company B.C. for carrying the mails from Ashcroft to Fort George, B. C., at a cost of \$90,000 a year. No tenders were called for as required by the regulations of the Post Office Department and no publicity given, the Borden Government simply awarded a \$90,000 contract to Mr. Shields and the matter was settled. Three days later the British

Columbia Express Company submitted a lower tender for performing this work, but the answer to them was "too late."

SOLDIERS NEGLECTED.

"Safety-First," or the useful and well paid but not dangerous jobs, are readily filled; but for the gallant boys in the trenches there is little or no backing".

(The above is an extract from speech of Sir Sam Hughes delivered at Lindsay, Ont., on Saturday, April 28th, 1917.)

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FREE BRAN, SHORTS AND MIDLINGS FOR THE FARMERS.

A somewhat annoying condition for the farmers in Eastern Canada has arisen in regard to the by-products of wheat by the placing of wheat, wheat flour and semolina on the free list. After the 16th of April last wheat, wheat flour and semolina can go from Canada to the United States and vice versa free of duty. The by-products of wheat, such as bran, shorts and middlings go from Canada to the United States free of duty, but when the Canadian farmers undertake to bring into Canada from the United States, bran, shorts and middlings, they find that they have to pay to the Canadian Government a 25% customs duty. This is an extreme hardship, particularly to our farmers in Eastern Canada. Today bran, shorts and middlings are worth from \$40 to \$45 a ton, a customs tax of 25% means something and unless the government takes action and removes this duty the farmers of Canada will have another real grievance.

Speaking in the House of Commons on Tuesday, May 1st, Mr. J. A. Robb, Liberal member for Huntingdon, gave notice that before the Budget speech was passed he would move the following resolution:

"That to ensure a plentiful supply of bran, shorts, and middlings for the farmers to produce milk, cream, butter and cheese, and for the raising and fattening of livestock, this House is of the opinion that wheat, bran, shorts, and middlings should, without delay, be placed, on the free list."

In the course of Mr. Robb's remarks on this resolution he stated:

Price of Feed Goes Up at a Time When Greater Production is Asked For.

But what is the condition with regard to bran. The Finance Minister lays great stress upon the fact that our wheat crop was pooled with our Ally, the United States, and that we must do all we can to provide bread at reasonable prices. But man cannot live by bread alone—he must have butter on his bread. And how is this Government going to help the Canadian dairymen

to produce more butter and more cheese and to answer the demands of the cities for cheaper milk and cream, when it places a tax of 25 per cent on bran and shorts coming into Canada? Let me show the Minister of Finance how that works out. The Order in Council enacting free wheat was passed on the 16th April. On the 14th April the price of bran in Buffalo was \$43.50 a ton; in Toronto, \$38.40, and in Montreal the same. After this Order in Council has been in force for fourteen days, the price of bran had advanced for the Canadian dairyman to \$43 to \$45 a ton in Toronto, and the same in Montreal; but in Buffalo the price remains about the same as it was on April 14 (indeed a little less), prices being quoted at from \$43.75 to \$43.25 with \$43.25 for May delivery. Thus there is no advance in the price of bran in the United States, but an advance of \$5 a ton in Canada. How does the Finance Minister think the Canadian farmer is going to answer the appeal for more butter and cheese, and cheaper milk and cream, under these conditions?

Bran Up \$5 a Ton.

I would plead with the Minister of Finance; just now we have a demand from the housewives of Canada for the admission of oleomargarine, for anything at all to get cheaper fat stuffs for the bread of the children. We have a demand from the cities for cheaper milk and butter. The farmer is blamed for advancing prices. The Finance Minister answers that demand by compelling the Canadian farmer to pay in his own market \$5 more for a ton and \$100 more for a carload of bran than he was paying fourteen days ago. He has placed the further restriction upon the Canadian farmer that if he imports bran from the United States under the present conditions he is met at the custom house with a price of \$216 per load.

If I were looking to my own interest and that alone, (Mr. Robb is a miller) I would not object too strongly to this protection on bran and shorts. But I am not elected to this Parliament of Canada to look after my own business. I am elected to look after the dairymen of the constituency which I represent.

I hope the minister will change his mind, and that before we get through with the session he will introduce such legislation as will enable our Canadian farmers to get their bran and shorts without being compelled to go to the custom house and pay an increased tax.

At the time of going to press Mr. Robb's resolution had not yet been dealt with in the House.