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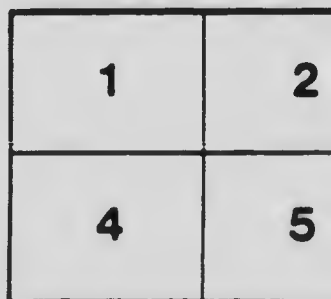
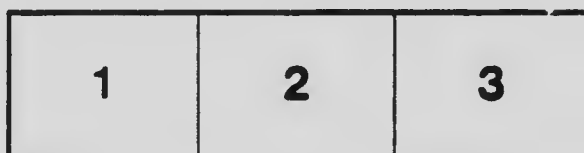
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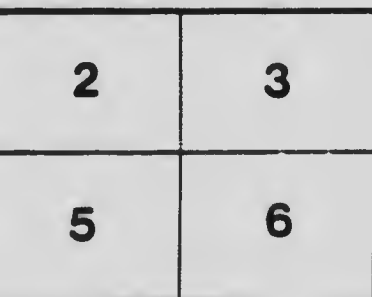
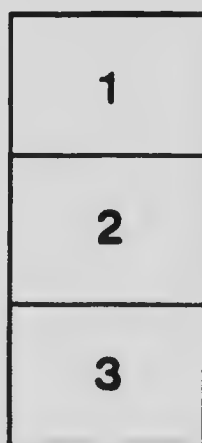
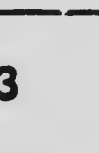
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RESOLUTIONS

Adopted by the Liberal Convention
Held in Winnipeg April 3.

Direct Legislation.

That the Liberal party, in convention assembled, adopts the principle of direct legislation through the initiative and the referendum, and pledges itself, if returned to power, to pass legislation giving it full effect.

Compulsory Education.

That this convention deplores the fact that under existing educational conditions a considerable proportion of the children of school age are not being educated; and declares this state of affairs should be remedied by a measure of compulsory education, which, while respecting the personal rights and religious convictions of the individual, shall make it obligatory that all children between the ages of eight and fourteen years shall receive a proper elementary education either by attendance at the public schools or by such substitute within the discretion of the parents as shall attain this end.

Temperance.

That this convention re-affirms the cordial sympathy of the Liberal party with the temperance movement as a moral reform and pledges itself, if the Liberals are returned to power, to further amend the Liquor act so as to:

(1) Make a majority vote of the 'resident' electors sufficient to carry a local option by-law.

(2) Give the electors of any municipality power to limit or reduce the number of licenses to be granted by the same system as a local option by-law is voted upon.

(3) Establish a licensing branch of the county court judges to consider all applications and grant all licenses instead of the present system of license commissioners.

Public Lands.

(a) That the public lands of Manitoba, instead of being sacrificed in large quantities by private sale, should be conserved, and disposed of in small parcels, either to actual settlers at reasonable prices and under conditions imposing settlement duties, or by public auctions.

(b) That public swamp lands be drained before being sold, and that the government co-operate with the settlers in forming drainage districts and share proportionately with them the expenses in this connection.

Economy in Expenditures.

The financial administration of the present government has been extravagant, improvident and partisan, and has violated the principles of constitutional government. The Liberal party promises, if returned to power, to reduce the cost of administration by \$200,000 without impairing the efficiency of the service.

Impartial Administration of Justice.

That the administration of justice should be impartial and non-political, thereby commanding the respect and confidence of the people in contrast with the persistent and determined prostitution of the machinery of justice to partisan ends which has been the continued practice of the present administration.

Extension of Boundaries.

That the Liberals of Manitoba in convention assembled, believe that a satisfactory adjustment of the boundary question consists in the acceptance of the extension of the boundaries as offered by the Dominion Government, provided it is accompanied by the transfer to this province of the lands, minerals, timber, fisheries and other natural resources of the added territory.

Voters' Lists.

That the Election act should provide that Voters' lists be prepared specially for each election, whether general or by-election, and only then; that the lists should be based upon a list of resident ratepayers prepared by the municipal authorities supplemented by personal registration under conditions giving ample facilities for the purpose and under the supervision of a board of county court judges.

Telephone Commission Should Be Independent.

That the Liberal party stands pledged, if returned to power, to make the telephone commission free from all partisan control and responsible to the legislature; to restore the control of its accounts to the provincial auditor and to allow no portion of the receipts to be diverted to current revenue, with a view to giving the province the very best system of telephones at the lowest possible price.

Progressive Farming.

That, as Manitoba is pre-eminently a farming province, the encouragement of agriculture in all its branches should be the first duty of the government and warrants the creation of a separate portfolio to agriculture in order to take care of the various matters connected with agriculture and the establishment of demonstration farms. Also that the agriculture department should include a commercial intelligence branch.

Good Roads.

That inasmuch as the prosperity of the province depends, in large measure, upon the existence of good roads, the Liberal party pledges itself to a definite policy, whereby it can co-operate with the municipalities in building a first-class system of thoroughfares.

Railway Taxes for Municipalities.

That a reasonable proportion of the revenue received from the taxation of railway companies be distributed in some equitable plan of distribution to the municipalities.

Government Elevators.

That the Liberal party adheres to the stand taken by the Opposition in the house on the elevator bill, as expressed in the resolution proposed by the leader, Mr. Norris, in the last session of the legislature.

Better Rural Schools

Whereas, the interests of primary education demand increased grants from the legislature and more careful supervision of the standard of teaching in such schools; therefore, resolved, that the policy of the Liberal party, when elected, will be to raise the standard of efficiency in the rural schools and to provide more liberal grants from the legislature for the purpose of primary education.

A Provincial University.

That the Liberal party declares in favor of establishing a provincial university, suitably supported by the province, and offering an advanced and progressive system of higher education to all classes of the people.

Want of Confidence in Government.

That this convention of the Liberals of Manitoba condemns the present government of this province for refusing, in the face of the most positive and definite charges made by members of the legislature on the floor of the house to grant any enquiry into such charges. That such a refusal is a strong presumption of guilt; and this convention, in view of the serious charges made and the refusal of all requests for investigation made in the legislature, calls upon the electors of Manitoba irrespective of party, to declare by their votes that the present government and its followers in the house, are unworthy of the support of the electors of this province.

LEGAL PAYMENTS TO W. H. HASTINGS.

W. H. Hastings has been for years the Roblin organizer for Manitoba, and during this time his salary as organizer, has been paid out of the Provincial Treasury in the guise of payments for legal services. Here are the payments made to him in the last three years:

1907.

W. H. Hastings, fees, etc., re Oleson, et al	\$ 32.90
W. H. Hastings, fees, re King vs. Sterling et al	2,350.20
W. H. Hastings, fees, as right-of-way so- licitor (Boyne Marsh Drainage Dis.)	\$1,696.11

W. H. Hastings, fees, as right-of-way so- licitor (Franklin Drain)	63.34
W. H. Hastings, fees, as right-of-way so- licitor (Mosquito Creek Drain),	31.82
W. H. Hastings, fees, as right-of-way so- licitor (Elm River Drain)	104.98
Total fees as right- of-way solicitor	<u>1,896.25</u>
	\$4,287.45

1908.

W. H. Hastings, fees, prosecuting (Liquor License Depart- ment)	\$ 318.00
W. H. Hastings, In- quests on M. Fried- man, et al	102.00
W. H. Hastings, fees, as Crown Prose- cutor (Eastern Ju- dicial District)	3,617.32
W. H. Hastings, fees, as right-of-way so- licitor (Boyne Marsh)	31.60
W. H. Hastings, fees, as right-of-way so- licitor (Mosquito Creek Drain)	13.22
W. H. Hastings, fe as right-of-way s licitor (Rhineland Drain)	63.82
W. H. Hastings, fees, as right-of-way so- licitor (Macdonald Drain)	15.66
Total fees as right- of-way solicitor	<u>124.30</u>
	\$4,161.62

1909.

W. H. Hastings, counsel fees (Prosecutions)	\$ 25.00
W. H. Hastings, counsel fees (Inquests)	25.00
W. H. Hastings, counsel fees (Prosecutions)	4,542.00
W. H. Hastings, right-of-way solicitor	43.74
W. H. Hastings, solicitor's fees (Union Point Drain)	49.60
W. H. Hastings, solicitor's fees (Niverville Drain)	388.34
W. H. Hastings, solicitor's fees (Boyne Marsh)	317.12
W. H. Hastings, solicitor's fees (Drainage District No. 4) . .	215.40
W. H. Hastings, solicitor's fees (Elm River Drain)	23.98
W. H. Hastings, solicitor's fees (Rhineland Drain)	356.50
W. H. Hastings, solicitor's fees (Macdonald Drain)	751.82
W. H. Hastings, solicitor's fees (St. Francois Xavier Drain) .	521.18
W. H. Hastings, solicitor's fees (Swan River Drain)	115.90
	<u>\$7,375.58</u>

In 1909 Mr. Hastings was the high-
est priced public servant in Manitoba,
drawing more money than the Prime
Minister himself.

COMPULSORY EDUCATION

Government Has refused For Five Years in Succession to Pass Such a Measure—Educationalists and Public Bodies Declare Such a Law is Necessary.

For five successive sessions, beginning with 1906 and extending until 1910, the legislature of Manitoba, under the direction of the Roblin government, has refused to countenance the passage of a compulsory education act. In 1906, the Winnipeg School Board, concerned at the conditions which were developing in the city, prepared a bill providing for compulsory education, which was to apply only to cities and towns. The School Board vainly tried to get a member of the government side of the House to introduce the measure, meeting with refusals from both the member for South Winnipeg and the member for North Winnipeg. In both cases it was known that the members acted under instructions from the Roblin government.

In the session of 1907, the Attorney General was asked whether it was the intention of the government to bring in a compulsory education bill, and he replied that the government had doubts as to the constitutional powers of the province, and had submitted a series of questions to an eminent constitutional lawyer with a view to obtaining his advice. The matter was discussed to some extent during the provincial elections of 1907, and Mr. Roblin, speaking in the Walker Theatre, Winnipeg, advanced the argument that the province lacked the constitutional power to pass this legislation.

Resolution Voted Down in 1908.

In 1908, at the first session of the new legislature, D. A. Ross, M.P.P., on behalf of the opposition, moved a resolution setting forth that in all civilized countries except Russia the attendance of children was compulsory at SOME school between certain ages, and that Manitoba had clearly the right to enact compulsory education by the wording of the judgment of the Privy Council in 1892:

"Therefore let it be resolved, That this House endorses the principle of compulsory education, and claiming, on behalf of the people of Manitoba, the right to enforce such, considers it desirable that the government should introduce the necessary legislation to prevent truancy and to enforce the compulsory attendance in cities, towns and incorporated villages, and for a limited period of the year in rural districts."

The resolution was opposed by Joseph Bernier, M.P.P. for St. Boniface, who, in a lengthy argument, denied the right of the province to pass such legislation, and by the Hon. R. P. Roblin, The premier, claiming that the passing

of this legislation would re-open the school question, said: "Having gone through one of these contentious contests, I cannot afford to again open that question." (Winnipeg Telegram, January 16, 1908.) After some vague remarks that, in the event of certain other unspecified issues being adjusted and arrangements made, the province could pass legislation of this kind, he concluded by saying: "I therefore, for the reasons I have stated, that it is not desirable at this juncture, ask the House to vote down the hon. gentleman's resolution." (Winnipeg Telegram, January 16, 1908.) The resolution was defeated by a vote of 17 to 11, the division list being as follows (Manitoba Journals, 1908, page 26):

Yeas — Messrs. Armstrong (Gladstone), Baird, Johnson (Winnipeg West), Jonasson, Morris, Mc'onnell, Ross, Thornton, Walton, Williams, Winkler—11.

Nays—Messrs. Argue, Benard, Bernier, Bonnycastle, Campbell (Morris), Carroll, Coldwell, Gordon, Howden, Lauzon, Lyons, Prefontaine, Roblin, Robson, Steel, Waddell—17.

Mr. Mickle was paired with Mr. Lynch, Conservative, and the members absent unpaired were: Conservative, Messrs. Rogers, Agnew, Hugh Armstrong, Glen Campbell, Ferguson, Mitchell, Riley, Lawrence and Taylor; Liberal, J. A. Campbell.

Bill Rejected in 1909

In 1909, D. A. Ross, M.P.P., introduced a bill providing for compulsory education. The bill was opposed by Hon. G. R. Coldwell, Minister of Education, who urged that there were legal and constitutional objections to the legislation, and also argued that the compulsory education laws in other provinces were not enforced, and were therefore not effective in compelling the attendance of children at school. He claimed that the passage of this legislation would throw the whole situation into turmoil and confusion, and jeopardize negotiations with Ottawa. "It does not appear to the government," said Mr. Coldwell, "that the thing is advisable, and for that reason the government would be afraid to enact the mildest measure." (Winnipeg Telegram, March 2, 1909.) Mr. Coldwell moved the six months' hoist to the bill, which was carried on the following division (Manitoba Journals, 1909, page 51):

Yeas—Messrs. Armstrong (Portage la Prairie), Argue, Benard, Bernier, Bonnycastle, Cameron, Campbell (Morris), Carroll, Coldwell, Ferguson, Gordon, Grain, Howden, Lauzon, Lawrence, Lynch, Lyons, Mitchell, Prefontaine, Riley, Roblin, Robson, Rogers, Simpson, Taylor, Waddell—26.

Nays — Messrs. Armstrong (Gladstone), Baird, Campbell (Dauphin), Johnson (Winnipeg West), Jonasson, McConnell, Mickle, Norris, Ross, Walton, Thornton, Winkler—12.

Resolution Again Voted Down

In the session of 1910, the opposition brought the matter before the legislature in the form of a resolution, which, after setting forth the fact that the

pretended constitutional difficulties had been removed by the opinion of Donald McMaster, K.C., the authority to whom it had been referred, concluded in these terms:—

"Therefore let it be resolved, That it is the duty of this legislature at this present session to enact such legislation of this character as shall provide for an adequate measure of education by either public or private tuition for all children in the province between the ages of eight and fourteen years."

Hon. Mr. Coldwell, Minister of Education, repeated in effect his speech of the previous year, and the resolution was rejected by a vote of 24 to 13, the division list being as follows (Page 6, Votes and Proceedings, No. 18, March 8, 1910):

Yeas — Messrs. Armstrong (Gladstone), Baird, Campbell (Dauphin), Johnson (Winnipeg West), Jonasson, McConnell, Malcolm, Norris, Ross, Thornton, Walton, Williams, Winkler 13.

Nays — Messrs. Hugh Armstrong, Argue, Bernier, Bonnycastle, Cameron, Colin Campbell, Carroll, Coldwell, Ferguson, Gordon, Graln, Howden, Lanzon, Lawrence, Lynch, Lyons, Mitchell, Prefontaine, Robson, Rogers, Simpson, Steel, Taylor, Waddell—24.

At the provincial Liberal convention, held in Winnipeg, April 6, the party declared itself in favor of enacting a compulsory education law. (See resolution.)

The Opinion of Donald McMaster

In July, 1907, the Manitoba government submitted a series of questions relating to the constitutional powers of the province to enact compulsory education to Donald McMaster, K.C., Conservative M.P. for the Chertsey Division of Surrey, an eminent Canadian lawyer, now resident in London. Mr. McMaster's opinion, dated January 18, 1908, reached the government during the session of 1908, but it was kept from the knowledge of the legislature for over a year.

Mr. McMaster's opinion was involved by the peculiar way in which the questions were put to him, but he was quite clear in his finding that the province has full control over educational matters, and that compulsory education is within the power of the legislature.

The Attorney-General has asked, "Is the enactment of a law making the attendance of the scholars at the public schools and at the denominational schools, compulsory, ultra vires of the legislature?"

Mr. McMaster replied:—"Upon the first point I am of the opinion that the Manitoba legislature has power to make attendance at the public and denominational schools compulsory. It cannot be said that it is the right or privilege of a parent to deprive his child of the education essential to qualify him for good citizenship, and in that regard the interests of the state must prevail over the interests or bias of the individual.

Mr. McMaster, in reply to other questions which were asked him, said that, in his opinion, the government

had power to inspect and supervise denominational schools, but if the legislature exercised this power, it might be held, upon an appeal to the Governor-General in Council, that it thereby gave recognition to these denominational schools and therefore relieved the rate-payers supporting them from the obligation of paying taxes for the upkeep of the public schools. These replies of Mr. Macmaster were to hypothetical questions submitted to him by the Manitoba government for a purpose. They have no relation to the actual case, because it is not proposed that in the compulsory education measure there would be any provision for the inspection or supervision of denominational schools.

Mr. Macmaster's finding completely vindicates the position taken by the Liberals, that the province has ample constitutional power to enact this legislation, and that its enactment would not involve to the slightest degree the reopening of the school question or any attempted limitation of the rights of the province to legislate upon all matters of education.

Public Organizations Demand Law

Christian Endeavor Convention, Portage la Prairie, March 8, 1909: "We, the Manitoba branch of the Christian Endeavor Union, now in session at Portage la Prairie, do hereby record most strongly our unanimous opinion that a law embodying compulsory education in Manitoba is absolutely essential, and we pray that such law be at once placed on the statute books of this province."

At the sixteenth annual meeting of the Free Kindergarten Association of Winnipeg, held January 24, 1909, addresses strongly urging the necessity of compulsory education were given by Mrs. Atkinson, First Vice-President, Mrs. Margaret Scott, and Mr. Falk, secretary of the Associated Charities. Mrs. Scott declared in her address that everywhere the nurses of the Association found children remaining at home instead of going to school, with unfortunate results to the community.

At the meeting of the Manitoba Educational Association, held in Winnipeg, April 16, 1909, a resolution was carried with practical unanimity which declared that "The Association, believing that the chief duty of the state is education, recommends that the compulsory law be placed on the statute books."

A year later, at the Education Convention held at Brandon, March 31, 1910, the following resolution was unanimously adopted: "That this Association reaffirms its belief in the necessity for compulsory education, and regrets the failure of the government to take any action in that direction."

At a meeting of the School Trustees section of the Manitoba Educational Association, held in Winnipeg, March 2nd, 1910, the following resolution was carried unanimously: "That this Convention believes it necessary that

school legislation be amended at once to exact regular attendance from all pupils."

At a meeting of the Orange Grand Lodge of Manitoba, held in Winnipeg, March 3, 1910, the following resolution was carried by a standing vote, after a vigorous discussion: "We, the members of the Orange Grand Lodge of the Province of Manitoba, are thoroughly convinced and firmly of the opinion that a compulsory education act should be passed and enforced in this province, and we hereby pledge ourselves, individually and collectively, to do everything in our power to obtain the passing and enforcing of such an act."

On the same day, March 3, 1910, the Trades and Labor Council, representing the labor organizations of the city of Winnipeg, adopted a report which declared: "Your committee strongly endorses the action of the Educational Association in respect to compulsory education in the province and recommends that the secretary of this council send a communication to the Minister of Education, endorsing the same."

Opinions of School Inspectors

The annual report of the Manitoba Department of Education for the year 1907 contains some strong statements as to the urgent need of a measure for compulsory education.

T. M. Maguire, in his report, says: "Irregularity is the root evil of our schools. It is disgraceful and pitiful the number of boys and girls in the country from 12 to 14 who can barely read or write, owing directly to irregularity or non-attendance. There seems to be no remedy for this state of affairs. Compulsory attendance has been suggested, but, for some reason, this remedy cannot be applied. Is there no other remedy that can be applied?"

E. H. Walker, inspector for one of the districts in the north-west part of the province, reports on the unsatisfactory attendance in the schools which are carried on in the foreign settlements. He says: "Of those who are attending school, if we except Ethelbert and Sifton, not over 5 per cent. are able to carry on a conversation in the English language. To one who is anxious to see the work of naturalization and assimilation keep pace with immigration, this is not a very satisfactory state of affairs. Since the teachers are nearly all bright, promising young men who are able to speak both English and Russian fluently, one must conclude that the only remedy for these schools is compulsory education."

C. K. Newcombe: "Irregular attendance is certainly the greatest foe to educational efficiency, and while I am not of those who see in the easy passage of legislative enactment a ready remedy for all social ills, yet I cannot help thinking that it should be possible to devise some measure which

would afford needed protection to the children of the ignorant, the idle, the careless and the vicious."

A. C. Campbell: "Irregular attendance and, in not a few cases, the entire lack of attendance, is still the most serious problem before us. With all our boasted progress, we have yet stamped out this evil. The remedies suggested are well known and must be applied if there is to be any improvement."

A. B. Fallis: "Compulsory education would be a great boon."

D. J. Wright: "Even in the towns, a measure of compulsion would be of great benefit."

J. M. Friesen: "The only remedy appears to be compulsory attendance, which, it is hoped, will not be long deferred."

The Western School Journal, in reproducing these opinions in its issue of January, 1909, made this comment: "To offer comment upon the views expressed above would only tend to weaken their force. There are no men in the province who are better qualified or in a better position to study the extent of the evil of irregularity in school attendance or to determine the most effective remedy."

Opinions of Clergymen and Educationists.

The Presbyterian of Toronto, in its issue of November 5, 1909, said: "One of the most needed reforms in some parts of the Dominion is an effective compulsory education law. Attention has lately been called to the situation in Manitoba where conditions in some districts are little less than a scandal for any Canadian community."

Rev. Dr. Patrick, Principal of Manitoba College, addressing the Prisoners' Aid Society at its annual meeting, January 4, 1909, said: "There was no compulsory education in Manitoba. In other words, those children who were most likely to become criminals were prevented by legislation or absence of legislation from gaining that elementary knowledge which would keep them from going astray. They were manufacturing criminals. He did not know a single person in Manitoba, interested in the welfare of the community, who did not deplore the absence of compulsory education. The need for it obtained quite as much among the English speaking children as among the children of foreigners."

The Venerable Archdeacon Fortin, Rector of Holy Trinity Church, in a sermon delivered February 7, 1909, said that in the year 1908 over seven thousand children in Winnipeg were not attending any school, while taking the province, as a whole, 49,926 children of school age were not enrolled as pupils in any school. He urged the necessity of a compulsory education act, remarking: "All unbiassed people, those who have no private ends to serve, no

political affinity to uphold will agree that this is the case. It is high time to act. Let the influence and weight of all well-wishers of the country, irrespective of political parties, be focussed on this most vital matter. Let us be jealous for the honor of our country, and not permit the stigma of ignorance to be fastened upon her."

Rev. J. S. Woodworth, in a letter to the *Christian Guardian*, appearing in its issue of April 21, 1909, declared that "the lack of compulsory education is interfering vitally and fatally with the work of education." Mr. Woodworth quoted in his letter this opinion of the Hon. T. M. Daly, Police Magistrate of the City of Winnipeg: "One of the prime causes for so many juvenile offenders in Winnipeg to-day is, I am sorry to say, because there is no compulsory education in Manitoba, and I am sure it is safe for me to say that when a young man, brought up in Winnipeg, comes before me, I can almost invariably trace his steps back to the days when he played truant from school and sowed the seeds of his reckless career."

Rev. S. P. Rose, then pastor of the Broadway Methodist Church, Winnipeg, in a letter to the *Winnipeg Tribune*, bearing date May 21, 1909 said: "The only way of meeting the grave situation which faces us is compulsory education. Most unhappily this manifest and self-evident obligation has somehow become a party politics question, but it must not remain so, nor can I believe that the patriotism of Manitoba will permit any political party to persist in a policy which will perpetuate the evil which now exists—that of thousands of children growing up to manhood and womanhood in gross ignorance. If the unthinkable should occur and party interests triumph over patriotic obligation, this province must not hope to become what it should become, as so valuable a part of our great Dominion."

Dr. C. W. Kimmins, who is the chief inspector of the County Council Schools of London, England, having 20,000 teachers and 800,000 pupils under his jurisdiction, commented on the lack of a compulsory education law in Manitoba, when on August 31, 1909, he laid the corner stone of Aberdeen School No. 2. He said: "I do not want to touch a delicate matter, but I know nothing of the political situation here, but I do look forward to the time when education will be compulsory in Winnipeg. I do not know why there should be such a delay in this important respect, but I do know that every child should have an opportunity to come into its full inheritance, which is a public school education."

Compulsory Education Laws In Other Provinces

Nova Scotia—Children between six and sixteen years must attend school 120 days in the school year with provisions for exemption under certain circumstances.

New Brunswick—Since 1903 the province has had an act providing for the compulsory attendance of children between the ages of seven and twelve.

Ontario—Every child between the age of eight and fourteen must attend school for the full term each year, unless he has passed the entrance examination for high schools or under certain specified conditions. Employment of children during school hours is prohibited.

Saskatchewan and Alberta—The attendance at school of children between the ages of seven and twelve years inclusive, is compulsory for a period of at least sixteen weeks each year, eight weeks of which time must be consecutive.

British Columbia—Every child from the age of seven to fourteen, inclusive, must attend some school or be otherwise educated for six months in each year.

Prince Edward Island—All children between the ages of eight and thirteen must attend school at least twelve weeks every school year, six weeks of which must be consecutive.

SUSPICIOUS TELEPHONE TRANSACTION

Land Upon Which Roblin Had a Mortgage Bought by the Government

An interesting fact in connection with the purchase last year by the Manitoba Government of the site for a branch telephone exchange on Sherbrooke street is that the purchase was made from George Leary, for many years a close personal friend and political associate of Premier Roblin. There was an abundance of other available sites in that part of the city, which would have been in every way equally suitable for a Government telephone building with the site that was selected. That it should happen that the site selected was owned by a close personal friend and political associate of Premier Roblin must be regarded as a remarkable coincidence.

Proceeding further in the investigation, the singular and striking fact is ascertained that the property in question bore three mortgages, the last in the series being for \$5,000. That third mortgage was held by R. P. Roblin.

Thus the Government of Manitoba, of which R. P. Roblin is Premier, purchased property from Mr. Roblin's particular friend, Mr. Leary, upon which a third mortgage was held by Mr. Roblin himself. The transaction is thus a highly suspicious and questionable one.

There was also a serious scandal in connection with the purchase of the central telephone site at the corner of Charlotte street and McDermott avenue, Winnipeg, in June, 1907. The site was purchased by C. H. Forrester, one of Mr. Roblin's closest friends, and turned over instantaneously to the Government at a price netting him a rake-off of \$3,500. The facts came out in an action at law, and so strongly did public opinion condemn the transaction that the Government induced Mr. Forrester to refund \$2,600 of the rake-off to the Provincial Treasury.

TELEPHONES

A Million Too Much Paid for the Bell System—Promises That Have Not Been Kept—The System Does Not Pay.

Manitoba now has Government ownership of telephones, instead of municipal owned phones with Government owned long distance lines.

The Roblin Government has thus adopted the policy advocated at the last election by the Liberal party instead of their own hybrid scheme and in so far as any credit is due for public ownership it is due to the Liberal party. In so far as the present policy is a failure, in that the telephone costs too much, and is in fact only the Bell system at practically the Bell prices, the fault lies with the Roblin Government, WHO PAID O. 1 MILLION DOLLARS TOO MUCH TO THE BELL COMPANY, thereby making the promised reductions impossible and have largely destroyed the efficiency of the service by subjecting it to direct political control.

The Liberal policy on telephones was defined in a resolution of the Manitoba Liberal executive on Dec. 27, 1906, as follows:

"The Liberal party declares emphatically in favor of complete Government ownership and operation of a telephone system in this province, believing this to be the only practical solution of the question of coping with the existing monopoly."

Bought Secretly: Legislature Not Consulted.

The Liberal policy was bitterly attacked in the last election campaign by the Government, which adhered to the policy of building only the long distance lines, but when faced with the responsibility of supplying a telephone service, they abandoned their own scheme and decided upon complete Government ownership. In December, 1907, the Government bought the whole of the Bell equipment in Manitoba for \$3,400,000. The purchase was put through within two days of the meeting of the legislature. This transaction was not submitted to the representatives of the people for their approval—an unheard of proceeding in a British community.

A Remarkable Valuation.

The valuation upon which the Government bought the system, was made by their own engineer, a Mr. French, whose services have since been dispensed with. Mr. French spent just six days in examining and reporting upon the 67 exchanges, 75 toll offices and 11,000 telephone lines. For this remarkable piece of work he charged the province \$55.95 (Voucher 3467, page 247, Manitoba public accounts, 1908.) Upon this \$50 valuation the Roblin government paid over \$3,400,000 of the

public money for a system which the Hon. J. H. Howden, minister of telephones, speaking in the legislature, March 6, 1906, described as follows: "The Bell system as installed in most towns is OUT OF DATE AND GIVES A POOR AND INEFFICIENT SERVICE."

Price Far in Excess of Construction Cost.

Detailed figures were published by the Government in their telephone campaign to show how cheaply the most up to date system could be constructed to compete with the Bell's "out of date" system. The Telegram, on Nov. 21, 1906, published the detailed figures, as compiled by the Government experts, for various classes of construction showing that one mile of wire and one telephone complete could be installed complete for from \$62.85 per the lowest, to \$97.95 for the best class of construction, labor included.

Yet with these figures before them the Government purchased the "out of date" Bell plant for \$232.50 per telephone.

Government Rejected Their Own Procedure.

The Government, when they made this bargain, did not observe the procedure, which they had fixed by legislation, for the purchase, by them, of existing telephone systems.

In sections 3 and 4 of the Telephone Act of 1906 the Legislature had provided that if any telephone system in the Province was purchased the arbitrators should determine the price on the basis of actual value, with an ADDITION OF TEN PER CENT. FOR PROFIT, no allowance being made for the franchise.

That the Government paid a million dollars too much was demonstrated by most convincing figures in an open letter addressed by Mr. Francis Dagger, the former telephone expert of the Roblin Government, to the Manitoba taxpayers on Jan. 13, 1908. Mr. Dagger cited official figures to show that the Government had paid \$1,514,322 too much, and asserted: "Had the Manitoba Government acquired the Bell plant for an amount equal to that which it would cost to duplicate it there would have been no difficulty whatever in furnishing the people with a telephone service at the figures stated by me in 1906."

Four Striking Proofs.

Four striking proofs of the truth of this statement were supplied by Mr. T. H. Johnson in the Legislature on Feb. 9, 1909. He pointed out:—

1. That President Sisco of the Bell Telephone Co., in 1905, gave evidence before a Committee of the House of Commons as to the average cost of his Company's system in Canada. Comparing those figures with the figures of Mr. French it transpires that Manitoba had paid \$490,550 too much for the Winnipeg exchange; \$333,616 too much for the other exchanges; \$174,521 too much for long distance lines, and \$5,625 too much for toll stations, or a total of \$1,004,322 IN EXCESS

OF THE REAL VALUE of the Bell property in Manitoba.

2. Mr. Sise in his evidence said that the cost of their investment in Canada per telephone amounted to \$159, that figure including real estate, patents, long distance lines, etc. Yet the Manitoba Government paid \$232 per phone or \$73 per phone over the sworn figures of President Sise. Multiply 14,195 phones purchased by \$73 each and the result shows that the price was \$1,036,235 more than the system was worth.

3. The annual report of the Bell Telephone Company for Dec. 31, 1907, showed that the Company had in Canada 111,118 telephones, 49,784 miles of wire and 9,540 miles of long distance poles. The balance sheet valued the whole of the Company's property at \$16,385,680. Manitoba purchased a few days after the date of this balance sheet, 14,195 telephones or less than 13 per cent. of the whole; 4,998 miles of wire or 10.04 per cent. of the whole, and 1,192 miles of long distance poles or 12.48 per cent. of the whole, but the Manitoba Government paid the Bell Company a price equal to 20.74 per cent. OF THE WHOLE VALUATION OF THE COMPANY'S PLANT IN CANADA.

Instead of getting a property worth \$3,400,000, the price paid, the Province got a property worth only \$2,130,135 according to the figures of the balance sheet of the Company, dated ten days before the purchase. The difference of \$1,269,862 is what the Government overpaid the Bell by their last balance sheet.

4. On Dec. 26, 1907, the Bell Company's stock was quoted on the Montreal exchange of 129 per share. Two weeks later when the deal with Manitoba had been made public, although the Company had parted with its Manitoba plant, the stock was quoted on the same exchange at 130 per share. The increase of \$10 per share meant a total increase of \$1,200,000 showing WHAT THE MONEY MARKET THOUGHT THE MANITOBA GOVERNMENT HAD PAID TOO MUCH FOR THE PLANT.

Promised Rate Reductions Not Made.

When the Government were urging the electors in 1906 and 1907 to support their telephone policy, they pledged themselves to cut the Bell Telephone rates in two or to do even better. To illustrate:

Hon. Colin H. Campbell, in the Legislature, March, 1906 (Telegram report), said that "so far as the operation by the Government or the municipality was concerned, the rates of the Bell Telephone Co. SHOULD BE MORE THAN CUT IN TWO."

A special committee of the legislature in 1906 (Hon. Colin H. Campbell, chairman) reported that independent telephone services could cut the Bell Telephone rates in two, and still make a profit. (Journal of the Manitoba Legislature, 1906, page 88.)

Hon. Colin H. Campbell, at the convention of the Canadian Independent Telephone Association, September, 1906, said: "The Government of our

province will be able to accomplish a result that WILL CUT THE COST OF THE TELEPHONE IN TWO and will give them a much better service than they have heretofore enjoyed."

In a pamphlet issued by the Government and widely circulated in November and December, 1906, there was a statement by Mr. Daggert THAT A RURAL TELEPHONE COULD BE GIVEN FOR \$1.00 PER MONTH. (See pamphlet "The Manitoba Government and Public Ownership of Telephones."—Printed by Jas. Hooper, King's Printer for Manitoba.)

Hon. Colin H. Campbell, in an interview published in the Telegram, Dec. 10, 1906:—"In the country, THE REDUCTION WILL BE ONE-HALF OF THE EXISTING RATES."

Hon. R. P. Roblin, as quoted in the Winnipeg Telegram, December 11, 1906:—"It is simply a matter of those who use telephones paying for them, and also, ONLY TO PAY HALF WHAT THE BELL PEOPLE NOW CHARGE."

Three or four days later, Mr. Roblin, in an interview published in the Telegram, dealing with long distance charges, said "We will more than CUT THE BELL FIGURES IN TWO."

Mr. Roblin, speaking in Neepawa, December 20 (as quoted in the Winnipeg Telegram of December 21,) said that, one year from that time, they would be able to speak over a government-owned long distance line from Neepawa to Winnipeg at "LESS THAN HALF" what is charged by the Bell Telephone Company at the present time."

Such were the explicit, emphatic promises. How have they been fulfilled? In the cities the Bell rates for business are still in force, while the rates for residence have been reduced — NOT ONE-HALF, BUT ONE-SIXTH. In the country, the farmers' phones (as set forth by Mr. Rogers in the Legislature, Feb. 25, 1909), have been reduced from \$30 to \$25; and from \$24 to \$20. THIS IS A REDUCTION OF ONLY ONE-SIXTH.

There have been slight decreases in the long distance tolls to certain points; but this has been off-set in large measure, if not entirely, by the reduction of the time of conversation from 3 minutes to 2 minutes between Winnipeg and many of the important points in the province.

System does not Pay

In consequence of the excessive price paid for the telephone system and the defective management, due to political interference, the telephone system does not pay even at the high rates charged. It is true that, for the years 1908 and 1909, surpluses aggregating \$273,219, were claimed by the government, and this amount of telephone money was taken out of the telephone system and added to the current revenues of the province.

These surpluses do not survive an analysis of the figures. The accounts make no provision for a contingent fund nor for a sinking fund to retire the bonds, and the allowance for maintenance is absurdly inadequate. In the investigation into telephones

held at Ottawa in 1905 by a special committee of the House of Commons, the matter of cost of maintenance received considerable attention and much expert evidence was tendered on this point. Mr. L. D. McFarlane, General Manager of the Bell Telephone Co. of Canada, placed the yearly depreciation at 10 per cent., while the lowest estimate, that of Mr. Mounton of the Twin City Co., was 5 per cent. The method followed by the telephone companies is, in place of allowing for depreciation in the accounts to spend out of the earnings an amount on maintenance equal to the estimated depreciation, with a reserve or contingent fund to meet special emergencies.

It is worth noting in this connection that the Bell Telephone Co., with a capital of \$12,500,000, and a bond issue of \$3,649,000, making a total capitalization of \$16,149,000, has a contingent fund amounting to \$2,150,000, and a reserve for maintenance amounting to \$982,148, or a total of \$3,132,148. This is from the last available statement, covering the year 1905.

Taking the lowest estimate of depreciation, five per cent., the Manitoba government should, in the year 1908, have expended 5 per cent. of the capital invested, or \$208,000 on maintenance. They actually expended only \$104,000, or two and a half per cent., in the year 1909, the maintenance amounting to \$173,124, which, on the capitalization of \$5,102,978 is 3.39 per cent. At five per cent., the minimum possible depreciation, the outlay for maintenance would have been \$256,250, or \$88,126 more than was actually paid out. This, which is the most favorable possible showing, shows that at least \$187,000 of the money deflected from the telephone system into the provincial treasury to be spent as ordinary revenue, should have been put back into the system to keep it up-to-date.

The actual experience of the Bell Telephone Co. indicates that the estimate of five per cent. depreciation is too low. The figures supplied the Dominion telephone committee by the Bell Telephone company showed that during the five years from 1900 to 1904, it spent on maintenance \$4,131,380 out of a total revenue of \$11,006,859, or thirty-seven and a half per cent. of the receipts. The total receipts of the Manitoba Telephone system during 1908 and 1909 amounted to \$1,537,612. If the same proportion of these receipts were devoted to maintenance as the actual experience of the Bell Telephone Co. has shown to be necessary, the outlay on this score would have been \$576,370, whereas the actual outlay was only \$273,000, or \$300,000 less than should have properly been expended on the system. These figures indicate that the system is either being allowed to deteriorate or is being maintained and the maintenance charged improperly to capital.

It is clear that the deflection of \$273,000 of telephone money into the current revenues of the province was a totally unwarranted proceeding. The money was needed for the maintenance of the system, or if not so need-

ed, it should have been maintained intact as a contingent account.

The transferring of this telephone money into current account makes the telephone system an instrument of direct taxation. Nearly one-fifth of the money paid by telephone users went, not to pay for their telephones, but for other purposes of government. This is in direct contradiction to the repeated pledge of Mr. Roblin that telephone users should get their telephones at cost.

Telephones Under Political Control.

The telephone commission is under the direct control of the Manitoba government, the minister in charge being the Hon. Robt. Rogers. This control is constantly exercised to the political advantage of the government and to the detriment of the service. A case in point was cited in the legislature in the session of 1910, when Mr. Malcolm pointed out that, in the Birtle by-election, Mr. Rogers, without consultation with the Commission, undertook, for political reasons, to remit certain toll charges.

It transpired, from evidence given before the Public Accounts Committee at the 1910 session of the Legislature, that on May 1st, 1909, by the order of the government, the telephone accounts and moneys were removed from the jurisdiction of the provincial auditor and have not since been checked by him.

The Liberal platform pledges the Liberals to make the commission independent of politics and subject only to the control of the legislature, with its accounts under the control of the provincial auditor. This is in sympathy also with a recommendation made to the government in January, 1907, by the executive committee of the Union of Manitoba Municipalities in these terms:

"That in the opinion of this executive the Telephone acts should be amended in these respects:

"(a) To provide that the commissioners shall not be subject to removal, except by a vote of the provincial legislature and by a majority, the same as is provided to remove the provincial auditor, so as to place said commissioners beyond the reach of party politics.

"(b) To provide that the commissioners appoint annually independent auditors to audit all telephone accounts and transactions, which auditors shall be separate and independent of the municipal auditors."

Capital Interested in the Telephone System.

The enormous amounts of money which are being invested in the provincial telephone system call for the consideration of the ratepayers of the province,

The officials records show that on July 1st, 1907, debentures to the extent of \$1,000,000 for telephone construction were issued. In the following January provincial bonds to the value of

\$3,399,853 were given to the Bell Telephone Company for the purchase of their system. On July 1, 1909, bonds to the extent of \$499,806 were sold for the same purpose and of the \$5,000,000 worth of stock sold in London in April, 1910, no less than \$2,710,000 was set aside for telephone purposes, to pay liabilities already incurred and to provide for construction during 1910. This makes a total capital outlay to date of \$7,609,659.

This is an enormous liability for the province of Manitoba to assume and makes it imperative that the telephone system be taken out of politics and administered on strict business lines.

ROBLIN'S SPECIAL ELECTION TRAIN.

In the Public Accounts' Committee of the 1908 session of the Legislature the Opposition discovered an item (Voucher No. 1157, page 141, sessional paper of 1908) which read as follows: "C.P.R. Special train for Premier, \$541.00."

The voucher upon being brought down proved to be a charge made by the Hon. R. P. Roblin for a special train used by him in the campaign of 1907 for his speech-making trip throughout the province.

In the Legislature on Feb. 11, 1909, Capt. Jonasson enquired of the Premier whether there had been any refund of this sum, and if not whether it was to be refunded.

Mr. Roblin's reply is thus reported in the Telegram of Feb. 12, 1909: "The Premier said he might state, for the information of the hon. gentlemen, that there had been no refund and that, under similar circumstances, he would incur similar expense."

On March 4, 1909, a resolution was moved in the House by Mr. Jonasson, drawing attention to the matter and declaring "that, in the opinion of this House, it is improper for any minister or member of the House to be allowed to expend public money of the province in any shape or form, when traveling, except when actually engaged upon the public business, and not upon the political or private interests of the party to which he belongs."

Mr. Rogers' reply, as reported in the Telegram of March 5, was as follows: "This matter has already been before the House. If the member wants to fight it again, we are ready to do it. So far as this expenditure was concerned, it was made in the interests of the country, and if the First Minister made a similar expenditure for the same purpose, with the same beneficial results, it would be money well spent."

The matter was then put to the House and the motion was rejected by a vote of 19 to 24.

At the 1910 session, the matter was again brought up on a motion of the opposition, and was again rejected, on a straight party division.

DIRECT LEGISLATION

Liberals Are Pledged to Introduce the Initiative and Referendum.

The Liberals adopted, at their convention held on April 3, 1909, the principle of direct legislation as a plank in their platform and are pledged to make this the law of the land if returned to power:

The initiative and the referendum taken together are called direct legislation.

By the initiative it is proposed to give to a certain percentage of the qualified voters the power to prepare and present petitions for proposed laws to the whole body of voters, which laws shall become effective upon being approved by a majority of the votes cast.

By the referendum it is proposed that the people shall have power, expressed by petition, to promptly propose the defeat of acts of legislation deemed by them to be unwise. If a measure has been enacted by the legislature, a petition may be prepared within a stated time and signed by the given percentage of qualified voters, whereupon it shall be submitted to the people for adoption or rejection.

System Originated in Switzerland.

This device for restoring to the body of electors legislative powers, which under the existing system, they dispossess themselves of for a term of years by voting for a representative, originated in Switzerland some seventy years ago. Of the nineteen full cantons and the six half cantons comprising the Swiss confederacy, nine possess an obligatory referendum, eight optional referendum enabling the people to exercise a veto upon any law, with certain rate exceptions; in six other small cantons all laws are submitted for sanction directly to an assemblage of the people. Where the referendum is facultative, as it is proposed to make it in Manitoba, a demand for its application requires the endorsement of a fixed number of electors and the law submitted is accepted or rejected by a majority of those actually voting. The right of an initiative is possessed by 10 cantons. Federal laws must be submitted to a popular vote on the demand of 30,000 citizens, which must be made by petition within 30 days. The bare text of the law to be voted upon is placed in the hands of every voter, with no report of the debates or other explanatory matter. The ballot asks the voter whether he accepts the law and he votes "yes," or "no." The adoption of these checks on the representative system is to be attributed to the self-protecting instinct of Swiss local democracy against what Whitman calls "the never-ending audacity of elected persons."

Direct Legislation in the United States

The principle of the referendum has long been recognized, wholly or in part, by many of the states of the American union. Constitutional amendments are now always submitted to popular vote, and the location of cities for state capitals has often been determined by these means. South Dakota amended its Constitution in 1898 to read: "The people expressly reserve to themselves the right to propose measures, which measures the Legislature shall enact and submit to a vote of the electors of the State." The people also reserve to themselves the right "to require that any laws which the Legislature may have enacted shall be submitted to a vote of the electors of the State before going into effect, except such laws as may be necessary for the immediate preservation of the public peace, health, or safety, support of the State Government and its existing public institutions. The people may initiate laws for submission to popular vote, upon the petition of 5 per cent. of the whole number of qualified voters. They may require a vote upon any law which has been passed by their representative in the Legislature, with the exceptions noted, upon the request of a similar number of persons."

Illinois, in May, 1901, passed a law providing that on petition of 25 per cent. of the local and 10 per cent. of the general voters, questions of public policy should be submitted to the electors at general or special elections, with a provision that not more than three questions should be voted on at any one election. Utah has had the initiative and referendum since 1901; Oregon since 1902; while Missouri adopted it in 1908. In the latter state laws are submitted on a petition of 8 per cent. of the voters in each of at least two-thirds of the Congressional districts of the state; and the referendum can be invoked by like petitions, excepting that the percentage of voters is reduced to 5 per cent. The reservations noted in the South Dakota constitution quoted above are to be found in all the states which have adopted direct legislation.

The Referendum in the British Dominions.

The referendum for the settlement of important questions has been resorted to at times in the British dominions. In both Australia and South Africa the question of the federation of the colonies was submitted directly to the people; and in both cases a heavy affirmative majority settled the issue. At the general elections held in Australia in April, 1910, two questions, affecting the financial relations of the Commonwealth and the States were submitted to the people for settlement. At the present time in Great Britain the referendum is being advocated, notably by the Spectator, as the best means of ascertaining the popular will upon the question in dispute between the House of Lords and the House of Commons.

Much in Use in Canadian Municipalities.

The Initiative and referendum is a well-established feature in Canadian

municipal administration. The local option law is direct legislation, pure and simple. Twenty-five per cent. of the electors petition for the passage of a by-law forbidding the granting of licenses; and the question is submitted directly to the electors, a majority vote settling the matter one way or the other. The petition for local improvements, with the subsequent submission of the by-law to the ratepayers, is another application of the principle. A striking illustration of how the referendum operates to the public good was furnished in May, 1910, by the city of Regina. A contract made by the city with a private corporation for the building of a street car system was submitted to the ratepayers and was rejected by a decisive majority. Thereupon the City Council submitted to the ratepayers the question whether the city should build the railway itself or let the matter stand for a time. By an overwhelming vote the ratepayers instructed the City Council to build the road at once. Had the principle of the referendum not been applicable in Regina the city would have dispossessed itself of a valuable franchise, contrary to the wishes of a great majority of the people.

Advantages Claimed for the Referendum.

Among the advantages claimed for the referendum in its effect upon the course of legislation are these:

1. That it provides a remedy for intentional or unintentional misrepresentation on the part of elected legislatures and secures laws conformable to the actual will of the majority.
2. That it enhances the popular confidence in the stability of law.
3. That it eliminates much waste of political energy by enabling proposals of unknown value to be submitted separately to a quantitative test.

With the exceptions of Oregon where a large number of laws have been submitted directly to the people the initiative and referendum have not been largely used—the effect of the provision being to ensure caution on the part of legislatures. From the adoption of the Swiss Federal constitution in 1874 up to June 1903 the option referendum was applied to 29 laws, of these ten were accepted and nine rejected. J. A. Hobson, the eminent English political writer says:

"Laws drafted with the knowledge that they may be put to the test of a popular vote are less rigorous in their term and the practice of this art of accommodation ensures a process of investigation and discussion before the final form of the law is reached that is far more thorough than the procedure of a purely representative government with full legislative powers."

A Check on Hasty Legislation.

Everywhere the effect of the referendum has been to check or destroy hasty legislation. Mr. Hobson, summing up the experience of Switzerland says: "In general it may be said that the referendum discloses a truly servicable strain of conservatism in the people. They will not vote for any

large measure of centralized radicalism suddenly thrust before them."

As an illustration the fate of the "Right to labor" agitation may be cited. In most of the European countries, particularly in Great Britain, the obligation of the state to furnish employment, if called upon, is ardently advocated; and a resolution, affirming this principle, has received considerable support in the British House of Commons. In Switzerland the labor unions by initiative secured the submission of the question to the people, when it was overwhelmed by a vote of 308,289 against 75,850. The result of such a vote is to divert the emphasis and energy of the advanced sections from a measure which has evidently no early chance of acceptance to other measures which may be urged with better chances of success.

Operation of the System in Oregon.

Among the measures defeated by the popular vote in Oregon were these: To confer the vote on women; to sell an old railroad to the state under the popular cry of public ownership; increasing compensation to members of the legislature; to compel railways to furnish free transportation to certain state and county officials; providing for the partial application of the single tax. Among the enactments by direct legislation in Oregon are laws giving cities home rule in charter-making; providing for local option in liquor licenses, removing the constitutional provisions against proportional representation; applying the principle of the "recall" to the initiative and referendum; approving liberal appropriations for the state university; rigidly limiting the election expenses of candidates. The experience of Oregon where the principle has received a very thorough testing is the initiative and the referendum does not lend itself to the purposes of extreme radicalism but is, on the whole, a steadying and conservative influence.

Judge Brewer's Opinion.

Judge David Brewer, of the United States Supreme Court, in his recent address in New York, said:

"The two supreme dangers that menace a democratic state are despotism on the one hand and mob rule on the other. * * * The more constant and universal the voice of the people makes itself manifest, the nearer do we approach to an ideal government. The initiative and referendum make public opinion the controlling factor in the government. The more promptly and the more fully public officers carry into effect such public opinion, the more truly is the government of the people realized."

Complete Success in Switzerland.

Dr. Theodor Curti, the historian of the referendum movement in Switzerland, says:

"It must be said that the system has taken root so deeply in the hearts of the Swiss people that today no party or faction would either oppose or dispense with it. All political parties submit willingly to the decisions of the

majority, each hoping to win a majority to its programme in the future. The Swiss people recognize in the initiative and referendum their shield and sword. With the shield of the referendum they ward off legislation they do not desire; with the sword of the initiative they cut the way for the enactment of their own ideas into law. The people may reject a progressive measure when first presented and embrace it when another opportunity presents itself. In any event, it is better not to force laws—even good laws—upon the people, but to leave the decision to their own free will. Possibly they may try by the initiative to do some erratic thing, but they will take note and rid themselves of it eventually. The initiative has frequently been called an escape valve by which the will of the people finds expression. New ideas are given a chance to court investigation and enlist a following. Later they may become law."

Gives a Training in the Art of Government.

The final and weightiest claim for the referendum, as attested by the experience of all communities where it has been tried, is the training in the art of government it gives the people. It may, indeed, be questioned whether a people whose direct contribution to self-government consists in a single vote cast at intervals of several years? not for a policy or even for a measure, but for a party or a personality, can be a genuinely self-governing people. Some amount of regular responsibility for concrete acts of conduct is surely as essential to the education of a self-reliant people as of a self-reliant individual. The believer in the referendum holds that the obligation imposed upon each citizen to take a direct part in the making of the laws he is called upon to obey is essential to the reality of popular self-government.

OVER \$200,000 FOR THE WINNIPEG TELEGRAM

Payment during the years they are accounted for	Winnipeg Telegram ten years, so far as shown in the Public Accounts as follows:
1900	\$ 2,392.22
1901	7,365.81
1902	23,641.35
1903	25,514.74
1904	17,031.87
1905	20,745.55
1906	23,433.82
1907	25,871.22
1908	28,808.52
1909	28,036.92
	<hr/>
	\$202,842.02

This does not include payments by the Telephone Commission, which are believed to amount to some \$15,000 extra.

ELI SAND CO.

For information on this subject see the special pamphlet issued

THE BOUNDARY QUESTION

Roblin Government Has Played With the Question for Years—Liberals Pledged to Settle it on Fair Terms to the Province.

The chronological history of the development of the Boundary Question is necessary to the proper understanding of the present status of this issue.

The original province of Manitoba comprised an area of only 13,500 square miles, the western boundary of the province being the 99th parallel of longitude. The province was enlarged to its present size, some 7,000 square miles, in 1881, after conferences between the Norquay government of Manitoba and the Macdonald government at Ottawa.

In 1901, T. A. Burrows and R. H. Myers, both Liberals, moved a resolution in the Manitoba legislature, asking that a memorial be presented to the parliament of Canada, asking that the boundaries of the province be extended westward and northward. The resolution passed the legislature, but the Roblin government did not draw up the proposed memorial and submit it to the Dominion government. All they did was to have W. J. Roche, M.P. for Marquette, present a petition to the House of Commons, asking that the boundaries of the province be extended.

Non-Partisan Action Suggested.

In 1902 another resolution was moved by Mr. Roblin and seconded by Mr. Burrows, reaffirming the declaration of the previous year, and providing "that a committee consisting of such members of this House as comprise the executive, and Messrs. Greenway, Mickle and Burrows, be appointed to make all due enquiries into all and singular, the best means of bringing about the said object and to ascertain the most favorable terms and conditions upon which the boundaries of the province may be so extended. That, for the purposes aforesaid, the said committee may adopt such means as may be deemed expedient in the premises. That the said committee have power and authority to confer with the executive of the Dominion and North West governments, and such other persons or committee of persons touching any matter or thing respecting the said enquiry as may be thought advisable."

Committee Never Met.

This committee, which included three members of the Liberal opposition, was never called together by the Roblin government. It never made any inquiries and it entered into no conferences with either the Dominion or the North West governments. This indifference at a time when vigorous action might have resulted in a con-

siderable extension of the province westward and northward, is a serious matter for the Roblin government, and they have tried, in consequence, to protect themselves by tampering with the records. In the three successive memorials presented to the Dominion government by the Manitoba government in 1905, in 1906 and in 1908, the resolution of 1902 is wrongly quoted. In the bogus 1902 resolution, quoted in these memorials, there is a clause calling for an early extension of the boundaries westward and northward, and there is substituted for the clauses quoted above a new paragraph, different in its tenor and conclusion, from which there was carefully eliminated all reference to the fact that the committee included members of the Liberal opposition.

In the cooked resolution it was made to appear that the matter was left to the Manitoba government. The object of the change was obviously to prevent the charge which the opposition members themselves could prove, that the government had been dilatory and negligent in not having the committee meet.

Memorial Was Not Drafted.

Nothing whatever followed the passage of this resolution in 1902. In the memorial of November, 1906, the Dominion government is charged with having taken no notice of the memorial of 1902, submitted to it by the Manitoba executive, but it is established that no such memorial was ever drawn up or forwarded to Ottawa. The text of this memorial has never been published by the local government, and Sir Wilfrid Laurier, speaking in the House of Commons on April 5, 1905, declared explicitly that he had never received a memorial from Manitoba on this subject, either in 1901 or 1902, and he quoted, in support of his contention, a memorandum to this effect from the clerk of the privy council.

It is thus clear that the Roblin government was guilty of a gross breach of duty in not carrying out the instructions of the legislature in 1902. Had they done so, it is probable that the province would have been enlarged many years ago.

The Memorial of 1905.

Nothing further was done in the matter of securing an extension of the boundary, if Mr. Roblin's abortive debate with Mr. Haultain at Indian Head in 1902 be excepted until January 1905, when the Manitoba legislature unanimously adopted a resolution asking the Dominion government to extend the boundaries of the province. A memorial, based on this resolution, was drawn up and forwarded to the Ottawa government, and, in the following March the Hon. Robert Rogers and Hon. C. H. Campbell went to Ottawa to confer with the Dominion government. The Dominion government, on March 21, 1905, declared that it was not possible to extend the boundaries of Manitoba westward, but suggested that at a convenient later date, "the request of the province of Manitoba for an extension

northward be taken up with the object of coming to a speedy conclusion."

It is to Be Specially Noted That the Memorial Presented to the Dominion Government in 1905 Asked for Territory; There Was Nothing Said About Terms.

This decision was not acceptable to the local government, and they proceeded to make a grievance out of the delay. This grievance was fully exploited in the Mountain by-election of 1905.

The Conference of 1906.

In November, 1906, a conference was held at Ottawa, between the Dominion government and the provincial governments of Ontario, Manitoba and Saskatchewan, to decide what disposition was to be made of the unorganized territory lying to the north and east of Manitoba. The conference of the provinces was necessary because their claims as to the division of this territory conflicted. Each province presented an extensive memorial, setting forth its claims. The Manitoba memorial, it is again to be noted, asked only for territory; there was no demand for terms. As is known from a statement made by Mr. Roblin in the Walker Theatre on February 27, 1907, Sir Wilfrid Laurier, upon receiving this memorial, asked Mr. Roblin if he had anything further to say with respect to the claims of Manitoba than was contained in the memorial, and Mr. Roblin replied: "Nothing but what is in the state paper."

At the 1907 session of the legislature, a resolution was adopted, Jan. 23, 1907, on the motion of Hon. Robert Rogers, regretting that no legislation had been submitted at that session of the Dominion House, providing for the extension of the boundaries of Manitoba, and protesting against "the unjustifiable delay on the part of the federal authorities."

Campaign Pleasantries in 1907.

In the general election of 1907, Mr. Roblin made it a grievance that the transfer of territory by the Dominion government had not already taken place. He declared that there was a conspiracy between the Liberal leaders of Manitoba, Sir Wilfrid Laurier at Ottawa, and the Scott government in Saskatchewan by which it was intended to give the lion's share of the new territory to Ontario and to Saskatchewan, leaving to the province of Manitoba a small area, which would not give it access to the Bay. During this campaign, the issue, as far as Mr. Roblin could make it, was the failure of the Dominion Government, in the period between the 12th of November, the date of the conference and that date, the end of February, to submit to parliament legislation extending the boundaries of the province. His "ringing address" to the electors, was a very fiery deliverance, in which the electors were asked to "no longer tolerate violation of constitutional liberty." He declared that "supplication had been exhausted." The Dominion government were charged with "despotism and deceit;" and they were warned "that the time is past for the

future development of this province to be longer dependent upon the caprice and machinations of political satellites and intriguers, promoted by rancorous purposes"—whatever "rancorous" may mean. All this, it is to be borne in mind, because the Dominion government had not by that date passed an act at Ottawa extending the boundaries of the province.

Blocking Dominion Action.

At the opening of the Dominion parliament, on Nov. 28, 1907, the speech from the throne contained this clause: "Among the measures to be submitted to you is a bill for the extension of the boundaries of Manitoba and other provinces."

This announcement was not received by the Roblin government with the pleasure that might have been anticipated. They were by no means pleased at the prospect of the termination of what they had been denouncing as unjustifiable delay. Immediately upon the assembling of the Manitoba legislature, Mr. Roblin moved a resolution, Jan. 15, 1908, protesting and "averring" that the adoption of any measure by the Parliament of Canada dealing with the extension of Manitoba's boundaries in the manner suggested by the Premier of Canada as aforesaid, "**without this legislature having previously agreed thereto**, would, in the opinion of this legislature be a violation of the constitutional provision above set forth, and in direct variance with the course hitherto pursued in such cases, i.e., in the case of this Province in 1881 and in the Province of Quebec in 1898."

Mutual Agreement must Precede Action.

Accompanying the resolution was a memorial to be forwarded to the Dominion government. In this memorial, it was declared that: "A mutual agreement between the two governments, the Federal and Provincial, was a condition precedent to the enactment of any legislation by the parliament of Canada, extending the boundaries of provinces, and this House therefore **strongly objects to any departure therefrom in the case of Manitoba at the present time.** This House, therefore, claims to be within its constitutional right and privilege in requiring from the Dominion of Canada or the executive members thereof, the prior submission to the legislature of this province, of any proposal or measure to extend the boundaries of Manitoba by legislative enactment."

A. Change of Tune.

The suggestion that the Dominion government might enact a law extending the territory of the province without first securing the approval and sanction of the local government was denounced as an affront to the province, the Roblin government's Winnipeg newspaper using this language:

"For the sentences and clauses should have been agreed upon and drafted, not by Sir Wilfrid and his friends in a dark room, but by delegates representing the two contracting parties. Otherwise the act is the arbitrary, unactioned, and dishonest stratagem of a man and a

government determined to follow their sullen recalcitrance in this issue by a shameful usurpation of power and privilege."

It is to be noted that in 1905, the Dominion government was denounced for its failure to pass an act, extending the Manitoba boundaries, and that these denunciations continued during 1906 and 1907, until the Dominion government announced its intention of passing such an act, whereupon the tune changed, and they were then denounced in equally vigorous terms for daring to propose to pass such legislation before receiving the consent of the Manitoba legislature.

The First Mention of Terms.

This memorial of 1908 differed from all previous memorials further, in that, for the first time, it made a demand for terms. Although in November, 1906, the province had made an official presentation of its case in which no mention was made of terms, it substituted, therefor, in January, an entirely different memorial, demanding terms. These demands included precisely the same payments in lieu of public lands that are made to Saskatchewan and Alberta, oblivious of the fact that Manitoba, unlike the provinces to the West, owns its swamp lands, which are estimated in official documents of the province as being worth over twenty million dollars—seven million acres at three dollars per acre.

The Dominion Offers Territory

In July, 1908, the Dominion parliament adopted a resolution dividing the territory in dispute between the applicants. Notwithstanding the positive declaration of Mr. Roblin in 1907, that it was the intention to rob Manitoba for the benefit of Saskatchewan, the Dominion parliament did not give the province of Saskatchewan an additional foot of land; it divided the whole territory between Manitoba and Ontario, giving this province two thirds of the territory, and raising the area of the province from 78,000 square miles to about 250,000. The additional territory included five hundred miles of shore line on the Hudson's Bay, and the two chief ports on the Bay, Port Churchill and Port Nelson. The resolution also declared that an increased allowance should be made to the said province by money payment, "the amount of which should be the subject of negotiation between the government of Canada and the government of Manitoba."

The Proposed Dominion Bill.

On Feb. 26, 1909, Sir Wilfrid Laurier wrote Mr. Roblin, enclosing a draft of a bill it was proposed to introduce into the Dominion House, providing for the extension of the province. The bill set forth in detail the territory delimited by the resolution of the preceding July, and provided that an increased allowance in money should be paid the government, the amount being left blank, pending an understanding to be arrived at by the two governments. In his letter to Mr. Roblin, Sir Wilfrid stated that the Dominion government would

be happy to confer with him at any time with a view to determining this amount. This letter and the draft of the bill, though received while the Manitoba legislature was in session, were not submitted, and nothing was known about them until in the following November, Sir Wilfrid in a statement in the Commons announced that he had sent them. The terms were then made public by the Roblin government.

The 1909 Conference.

The Conference to fix the terms was held in Ottawa, March, 1909. Sir Wilfrid, in a letter, had specially urged Mr. Roblin to be present personally, but he did not attend. The province was represented by Mr. Rogers and Mr. Campbell. Nothing resulted from this conference. The representatives of Manitoba presented the demands set forth in the memorial of 1908, and in a briefer memorial of 1909, that the same cash payments in lieu of land should be made to Manitoba that are made to Alberta and Saskatchewan. The Dominion declined to accede to these terms, and the conference broke up without anything being accomplished.

The Roblin-Laurier Correspondence.

Later in the following November and December a series of letters passed between Mr. Roblin and Sir Wilfrid, in which Mr. Roblin demanded, contrary to the constitutional contentions set forth by him in the memorial of 1908, that the Dominion parliament should, by bill or resolution, set forth the terms they were willing to grant Manitoba, leaving it to the legislature of Manitoba to accept or reject these terms. Sir Wilfrid, in his letters, declared that, in his opinion, it would be unwise and impracticable to follow this course, and he declared his willingness "to reopen negotiations with the full assurance on our part that we are anxious to meet Manitoba in a fair and generous spirit." (December 27, 1909). Mr. Roblin replied on Jan. 8, 1910 reiterating his demand that the Dominion government should name the terms and conditions which it was willing to grant, by resolution of the Dominion parliament, and failing to accept the invitation to a conference. To this, Sir Wilfrid made no reply.

Sir Wilfrid States His Position

The matter, however, was discussed in the Dominion parliament on April 27, 1910, upon a resolution submitted by A. Haggart, M.P. for Winnipeg. Sir Wilfrid, in reply to Mr. Haggart, declared that he was not prepared to reopen or revise the financial terms which had been given to the present province of Manitoba. He pointed out that they had been revised four or five times already, the last time being as recently as 1907, when the financial relations between the Dominion and all the provinces had been readjusted. "But," he said, "as far as new territory is concerned, which may be added to the province of Manitoba, it is fair and reasonable that compensation should be made to the province, either in land or money, to enable it to adminis-

ter civil government for that territory and that territory alone, and if my Hon. friend with his friends come to Ottawa and have a new conference with us on this question, we are ready to meet them." Sir Wilfrid also said in his speech: "I think, Mr. Speaker, that we are in a strong position when we say that we are ready to negotiate with them, that we are ready to discuss with them, and see what we shall give them and upon what we can agree."

How the Matter Now Stands.

The matter, therefore, stands in this position: The Dominion government invites the Manitoba government to a new conference, the discussion to be limited strictly to the terms which are to go with the new territory; while the Manitoba government declines to enter these negotiations, declaring that the Dominion government must now indicate by bill or resolution what it is prepared to do, for acceptance or rejection by the Manitoba legislature.

The \$10,000 Story.

When the Manitoba representatives at the March, 1909, conference returned to Winnipeg, they gave out statements in which they made complaint that Sir Wilfrid Laurier had refused to make any proposition to them. Subsequently, in a report made by them to the government of Manitoba, they declared that Sir Wilfrid had offered the province of Manitoba ten thousand dollars a year as sufficient additional subsidy.

Sir Wilfrid Laurier, writing to Mr. Roblin under date of Nov. 30, 1909, noting this report of Messrs. Rogers and Campbell, said: "I hope I will not be taxed with discourtesy if I do not think this report cannot have been made seriously." And in his letter of Dec. 27, 1909, in reply to a letter by Mr. Roblin, in which the ten thousand dollar statement was repeated, Sir Wilfrid said: "I have only to observe that I persist in believing that the report that we offered ten thousand dollars for the financial terms to be granted to Manitoba, cannot be taken seriously."

The ten thousand dollar charge having been again made in the House on April 27, 1910, Sir Wilfrid Laurier said, in reply: "When my attention was drawn to this, I refused to discuss the statement. I refused to take it seriously. Whatever may be the opinion of my views held by hon. members on the other side, or by hon. members on this side, I think that all will give me credit for some common sense. I should expect that at all events, Messrs. Rogers and Campbell said in the report that they thought this offer was ridiculous. I would agree with them. Such an offer would have been ridiculous. I have nothing more to say. The fact is, we never came to any conclusion. No offer was made on one side or the other."

Subsequently, while Mr. Borden was speaking, there was an interchange of opinion between him and Sir Wilfrid Laurier, in which the Prime Minister declared that he had made neither the ten thousand dollar offer nor any offer whatever, and Mr. Borden accepted the statement.

Dragging in the School Question.

One phase of the boundary question is the attempt which has been made on various occasions to make it appear that the reason why the Dominion government fail to extend the boundaries is that they are using the question as a means of coercing the province of Manitoba into restoring separate schools. In localities where prejudices can be excited by this charge, it has been used even by members of the government. In the Mountain by-election of 1905, Mr. Roblin, speaking at Pilot Mound, and Mr. Campbell, speaking at Belmont, made addresses in which they stated that Manitoba was being punished because it had refused to abandon its national school system. In the Virden by-election of 1909, Mr. Rogers declared that Manitoba was being persecuted for its devotion to the national school system, and during the Birtle by-election in November, 1909, he repeated this charge on several platforms.

The complete answer to the charge is contained in the draft bill submitted to the Manitoba government by Sir Wilfrid Laurier in February, 1909. This bill is complete with the sole exception that the amount of the additional subsidy remains to be written in the blank space provided for that purpose, and the bill shows that the territory is to come to Manitoba without any constitutional limitation whatever.

Further in the discussion in the Dominion House, Mr. Haggart, though he made every possible charge against the Dominion government, did not suggest, even by inference, that the school question had anything to do with the delay in settling the difficulty.

Province Can Get The Lands.

The position of the Manitoba Liberal Party is to accept the territory offered and to ask that there be transferred with it all the lands and natural resources included in the area. Much is made by the Conservatives of the statement in the Dominion resolution of 1908, and in the draft bill based upon it, that the province is not to get the public lands, and they hold that this will make it impossible for the Dominion government to accede to the demand of the Manitoba Liberals.

The objection, however, is not well taken, as, if the two governments agree, there will be no difficulty in having the lands transferred to Manitoba. Sir Wilfrid Laurier makes this clear in his speech at Ottawa, April 27, in which he said: "As far as the new territory is concerned which may be added to the province of Manitoba, it is fair and reasonable that compensation should be made to the province **either in land or money.**"

The resolution of 1908 and the subsequent declarations, were placed upon the memorials of the province of Manitoba which asked for money, not for lands. At that time there was no suggestion that the settlement should take the form of a transfer to Manitoba of the natural resources of the added area.

Such is the record. Does it suggest that the Roblin Government has ever seriously tried, or is now anxious to obtain a settlement of the question?

THE PROVINCE'S FINANCES*

Public Debt Has Increased Over Ten Million Dollars During Ten Years of Roblin Rule—Growth in Contingent Liability of Thirty-Three Millions—Over Three Millions Received From Lands Have Been Spent.

The present government have held office for ten years. One of the chief charges they brought against their predecessors was that of extravagance. The first plank in their platform of 1899, which was moved by Mr. Roblin himself, was as follows:

"That the alarming condition of the finances of the province demands the introduction of such economical methods of administration as will re-establish the equilibrium between receipts and expenditures."

The government boast of their financial administration and claim to have carried out this pledge. They lay stress on the fact that their huge receipts have enabled them to establish the equilibrium between receipts and expenditures, but they forget to say anything about the pledge to do this by economical methods. From the following tables, all taken from public accounts, a fair idea of the methods by which the public income, and the public assets have been squandered in the last ten years, may be obtained. The chief points revealed in these figures may be shortly summarised here:

The Liberals in their last ten years of office had a total revenue of \$6,795,260.05. Of this \$4,757,172.44 consisted of subsidy from the Dominion and \$106,745.39 from school lands funds, so that only \$1,931,339.22 was raised within the province by any form of taxation or sale of public assets. Of this amount \$101,798.00 or 1½ per cent. of the total revenue came from the sale of public lands. In other words the revenue of the province on ordinary account, known as consolidated revenue, was derived 72 per cent. from Ottawa, 1½ per cent. from sale of lands, and 26 per cent. from the people of the province. During those ten years expenses were high, yet as will be shown from the tables of comparisons the Liberal government gave liberally in grants, especially to Education, their allowance for some years being \$150 as against the \$130 now paid by this Government, and they had to build up a railway system, establish most of our public buildings, and generally carry out colonization work in a new country suffering from a severe depression and with few sources of revenue. The total ordinary revenue as stated was \$6,795,000. The total consolidated revenue expenditure, which included considerable Capital

* The figures for the Greenway administration are taken from the report of the Royal Commission 1900.

outlay, in the same years was \$8,137,616. The Liberals had to borrow, and they borrowed chiefly for capital account expenditures, but in the eight million of expenditure above referred to were many items for public buildings charged to ordinary revenue. In spite of all these drawbacks the Liberals when they left office left a direct debt on the province of only \$4,439,859.98, of which over \$2,000,000 was inherited from their predecessors, while the indirect liability was only a little over \$3,000,000. To protect the debts on account of railway debentures the Liberals had secured from the defaulting companies large land grants of the picked lands of Western Canada. Five hundred and forty-two thousand acres was picked land in the three western provinces, and 256,000 acres were to be selected in Manitoba.

Ten Years' Roblin Rule

Such was the position when Mr. Roblin and his friends took office pledged to more economical methods. In the last ten years the public accounts show that their total receipts on Consolidated Revenue have amounted to \$17,101,743 as against the Liberal \$6,795,260. Of this amount \$6,095,930.52 consisted of Dominion subsidy, and \$1,000,716.09 from School Lands funds, so that 41½ per cent of their total revenue was derived from Ottawa, and this 41½ per cent was more than the total Liberal revenue in the same period from all sources. The remaining \$10,005,812.35 of their revenue, excluding telephone receipts, which in all these tables are left out, came from the province by taxation or sale of assets. Of this amount \$3,406,960.35 or nearly 20 per cent of the total revenue, was derived from the sale of Provincial Lands, and the remaining 38½ per cent from the pockets of the people of Manitoba. The Government have taken credit for raising some of this from corporations and railways, but as taxation of all sorts is eventually paid by the people generally, no matter who first pays it, and as in raising this additional revenue the Government took from the municipalities the right of taxing railway corporations, the money actually came out of the people's pockets.

The comparison with the Liberal ten years is thus as follows:

Total revenue, Roblin Govt.	\$17,101,743
" " Liberals	6,795,260

Excess \$10,306,483

In spite of this largely increased revenue the Roblin-Rogers Government have been less liberal in their grants to the people. They have passed legislation cutting down their charitable grants to hospitals, etc. They have given, as the figures on Education show, \$127,641.09 less to the elementary schools out of ordinary revenue than was given by the Liberals out of their smaller revenue during the same period.

Rapid Growth of the Public Debt

When the Greenway Government left office in January, 1900, the direct liabilities of the province (p. 39, Royal Commission report, 1900) amounted to \$4,439,859. This was made up of M. &

N.W. bonds (protected by 542,000 acres of land), the M. & S.W. bonds (for which the C.P.R. stood sponsor), the H. B.R. bonds (protected by a recognized claim for 256,000 acres of land), the C. N.R. bonds, Minnesota section (guaranteed by the C.N.R.) and thirty-five year bonds to the amount of \$2,500,000. The last named debt was the only liability not provided for by ample security.

The debentures and treasury bills of the province outstanding Dec. 31, 1909, as set forth on page 130 of the Public Accounts of Manitoba for 1909, amounted to \$11,730,846. Since then stock has been sold on the London market to the amount of \$4,886,000, bringing the total amount to \$16,616,846. From this there must be deducted treasury notes for drainage and telephone purposes to the amount of \$1,289,000, which were taken up out of the proceeds of the sale of stock. This reduces the total to \$15,336,846. There must be further deducted \$1,076,000 for drainage purposes, which is chargeable against the land benefited. **This leaves the amount at \$14,260,846, which is the present direct debt of the Province of Manitoba.** Moreover, the land which was the security for the M. & N.W. and H.B.R. bonds has been dissipated and the returns put into the current revenue. **It thus appears that, during the ten years of Roblin rule, the public debt of Manitoba has increased by ten million dollars.**

The money has gone, however, in other directions. Their lavish expenditures, including a great army of political workers employed in every department of the Government, many of whom do nothing except political work for their handsome salaries, has led to an expenditure of \$16,238,111 in the ten years (not counting their enormous capital outlays), against the Liberal \$8,000,000 in the same period. How this has been done the Public Accounts show to a certain extent, and the revelation in Public Accounts Committee still further disclose.

The indirect or contingent debt of the province consists of Railway, Drainage District and other bonds guaranteed as to principal and interest by Manitoba, those for which only interest is guaranteed being excluded.

Total Dec. 31, 1909 (pages 128-9 of Public Accounts for 1909)	\$22,900,690.99
Further guarantees authorized by Acts of Parliament, 1900 to 1910, but not yet issued	6,861,233.34
Liability in respect to Northern Pacific	7,000,000.00

Total indirect liability \$36,761,930.33

Total Dec. 31, 1899 (page 11, Royal Commission Report)	3,038,855.71
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Total increase in ten years \$33,723,074.59

In ten years of the Roblin administration the direct public debt of the province has thus increased ten million dollars; while the indirect or contingent debt has increased by thirty-three million dollars.

The Government Claimed Surpluses

One of the claims of the Roblin Government is that they have had a surplus of ordinary receipts over ordinary expenditures every year since they have been in office. The Provincial Treasurer in his budget speeches has claimed a surplus varying from \$11,000 in 1900 to \$624,000 last year. The total surpluses claimed total \$5,007,154.98.

That these surpluses exist principally on paper was demonstrated very clearly by the present Provincial Treasurer, who in the year 1909 presented to the legislature the Public Accounts with two tables added, setting forth in detail the ordinary receipts and ordinary expenditures of the province for each year since 1899 to 1908. It is worth special notice that this table does not appear in the bound Journals and Sessional Papers. It was apparently suppressed as containing too many damaging admissions. Any person can see in these tables at a glance that there was a deficit in the years 1900-1901 instead of surpluses, and that there would have been a deficit in 1908 if the telephone receipts had not been included. The following table of receipts and expenditures is taken from the totals found in the Public Accounts for 1908, merely correcting an obvious error of \$10,000 in 1908, and leaving out the telephone receipts, which do not belong to the ordinary receipts of the province. For 1909 the figures are taken from page 18 of the Public Accounts:

1900	Receipts	\$ 905,331
	Expenditures	1,019,969
	Actual deficit	114,638
	Alleged surplus	11,955
1901	Receipts	1,008,673
	Expenditures	1,020,998
	Actual deficit	12,325
	Alleged surplus	49,441
1902	Receipts	1,143,255
	Expenditures	1,271,679
	Actual surplus	168,576
	Alleged surplus	289,686
1903	Receipts	1,352,417
	Expenditures	1,395,182
	Actual surplus	47,035
	Alleged surplus	48,777
1904	Receipts	1,486,067
	Expenditures	1,357,682
	Actual surplus	132,984
	Alleged surplus	249,358
1905	Receipts	1,860,899
	Expenditures	1,743,793
	Actual surplus	117,106
	Alleged surplus	465,123
1906	Receipts	2,089,652
	Expenditures	1,851,579
	Actual surplus	235,072
	Alleged surplus	518,399
1907	Receipts	2,118,731
	Expenditures	2,053,386
	Actual surplus	65,345
	Alleged surplus	294,353

1908—	
Receipts	2,235,095
Expenditures	2,328,434
Actual deficit	93,339
Alleged surplus	356,788
1909—	
Receipts	2,601,237
Expenditures	2,253,405
Actual surplus	347,831
Alleged surplus	624,168
Totals for ten years, 1900-1909—	
Receipts	\$17,101,743.96
Expenditures	16,238,111.78
Alleged surplus	3,007,154.98
Actual surplus	863,632.18

This \$863,632.18 represents the actual cash saving of ordinary receipts over ordinary expenditure according to the Government's own figures. It is the result of ten years' administration during times of unexampled prosperity, when receipts have been largely increased, and it represents all that is left of over \$3,400,000 of receipts from public lands.

On page 18 of Public Accounts for 1909 the actual cash in hand on Dec. 31 last in ordinary general account is shown to be \$1,382,969.41. If we deduct from this the \$251,863.60 balance of the \$500,000 loan of 1900, which certainly is not a surplus, and the two telephone treasury balances of 1908 and 1909, amounting to \$273,219.49, together making \$525,083, we find that the cash balance is \$857,886.41.

The difference between this sum and the amount shown above is represented by money lent to open ledger accounts since 1899.

Over Three Millions From Provincial Lands

The receipts from Provincial lands are worthy of special attention. From 1893 to 1899 the province received all told \$92,524 from its lands; while for the Roblin Government period, owing to the zeal of the Government in selling off the land to speculators, the receipts have been:

1900	\$ 63,027
1901	120,566
1902	256,916
1903	292,742
1904	277,202
1905	446,752
1906	543,788
1907	463,254
1908	427,867
1909	575,298
	<hr/>
	\$3,407,412

This immense amount of money, obtained by selling off capital, has all been spent in current expenses, with nothing permanent to show for it. The Liberal policy is to conserve the lands.

Liberals Will Save \$200,000 a Year

The Liberals are pledged, if returned to power, to reduce the annual cost of administration by at least \$200,000 a year.

The enormous increase in the cost of civil government during the ten years of the Roblin Government makes this easily practicable.

The following table is made up from Public Accounts. It takes the same items for each year compared and as

perfectly fair. In the first year of the Roblin regime their net increase in the cost of civil government was \$74,094.67, or 26 per cent of an increase. Last year the net increase over 1899 was \$517,796.57, or 186 per cent of an increase. The population during the same period has increased, according to the same Public Accounts, by only 127 per cent. This computation as to population is very favorable to the Roblin Government. It is obtained from the figures on which the subsidy was paid in each year, but in 1899 the population figures were four years old, whereas in 1909 they were up to date for that year.

Cost of Running the Machine, 1899 and 1909

1899—	
Legislation	\$ 36,481
Executive Council	32,511
Treasury	7,355
Provincial Secretary	6,089
Education	19,087
Agriculture and Immigration..	11,247
Attorney-General	124,516
Provincial Lands	6,750
Railway Commissioners	319
Public Works	28,360
Municipal Commissioner	1,687
	\$277,205

1909—	
Legislation	\$81,268
Executive Council	19,908
Treasury	21,401
Provincial Secretary	11,635
Education	59,888
Agriculture and Immigration..	103,838
Attorney-General	385,902
Provincial Lands	17,357
Railway Commissioner	817
Public Works	89,725
Municipal Commissioner	3,259
	\$795,001

Net increase of 1909 over 1899 was \$517,796.57.

The Greenway Government entered office in 1888 pledged to reduce by \$50,000 the cost of "running the machine." In their first year of office they saved \$120,601.

Stingy Treatment of Public Schools

Despite the fact that the Roblin Government in its ten years of office received ten million dollars more than the Greenway Government did during its last ten years of office, it actually paid out of its purely provincial receipts less money to the schools than the Greenway Government did. The annual grant to each school is now the same as it was in the later years of the Greenway regime—that is, \$130— and as the number of school districts has increased, from 1,095 in 1899 to 1,517 in 1909, the aggregate amount of money paid out in grants to schools shows an increase under the Roblin Government. During the ten years of the Greenway administration the grants aggregated \$1,260,969, and of this amount only \$106,748 came out of the School Lands fund, which is administered by the Dominion Government. The Greenway Government thus paid out of its narrow provincial revenue in grants to schools the sum of \$1,154,221.

The total educational grant during the ten years of the Roblin administration aggregated \$2,027,295, but, during that time, the receipts from the School Lands fund at Ottawa amounted to the substantial sum of \$1,000,716, reducing the amount contributed from actual provincial receipts to \$1,026,579. The following table shows the figures in detail:

Under the Greenway Government

	Payment to Schools	Received from Ottawa
1890	\$ 92,864	Nothing
1891	95,306	Nothing
1892	105,575	\$ 8,698
1893	108,071	9,400
1894	117,347	10,465
1895	129,099	18,636
1896	136,582	14,671
1897	143,361	14,492
1898	161,275	7,187
1899	171,285	23,196
	<hr/>	<hr/>
	\$1,260,969	\$ 106,748

Under the Roblin Government

	Payment to Schools	Received from Ottawa
1900	\$ 172,339	\$ 19,161
1901	175,933	22,915
1902	181,097	254,387
1903	154,317	28,278
1904	196,255	77,224
1905	218,892	130,721
1906	208,787	76,212
1907	225,136	111,572
1908	242,994	114,185
1909	251,743	166,056
	<hr/>	<hr/>
	\$2,027,295	\$1,000,716

Summary for Ten Years

Greenway payments, total	\$1,260,969
Less receipts from Ottawa	106,748
Net	\$1,154,221
Roblin payments, total	\$2,027,295
Less receipts from Ottawa	1,000,716
Net	\$1,026,579
Greenway, ten years	\$1,154,220
Roblin, ten years	1,026,579
Excess amount paid by Greenway	\$ 127,641

These figures show that the provincial revenues during the last ten years would have justified much larger grants to the elementary schools. **The Liberals are pledged to provide more generous grants for the purposes of primary education.**

LAND SCANDALS

Fortunes Made by Parties on the Inside by the Purchase of Lands at Low Prices—Some Sample Shady Transac- tions.

The loss of millions of dollars to the Province by the sale of its public lands at absurdly low prices—nearly a million and a half acres having been sold at an average of \$3.23 per acre—has not been solely due to the recklessness and carelessness of the Roblin Government. There has been method in the system.

The Roblin Government sold the land in large areas, at low prices, to political friends and supporters who made a small initial payment, sold on the rise and got out with the profits.

The real purchasers of the land, who thus profited, are in many cases not known and never will be known, short of the most searching inquisition. To cover up the tracks of the actual spoilers of the public realm every possible expedient has been utilized—the records have been doctored, sales entered in the names of dummies and figure-heads, and transfers improperly registered. Some of the facts in connection with a few of these transactions have come to light, and they are full of significance as being the visible peaks of a submerged mountain range of graft and corruption.

Hiding Behind a Figure Head.

A typical land transaction of the character indicated was one which took place in 1902, in the name of J. D. Dyck, a German farmer of Winkler. In May, 1902, the Roblin Government sold 20,292 acres of M. & N. W. lands to Mr. Dyck for \$3 an acre, although the actual price exacted for adjoining lands sold to other purchasers at the same time, was \$4 per acre. Mr. Dyck was not a party to this purchase. It was made in his name without his knowledge or consent, in order to shield the operations of a syndicate which included members of the Legislature. The syndicate, in acknowledgment of the use of Mr. Dyck's name, allowed him to purchase one section of the land at \$3 per acre and secured quit claims from him for the balance, the quit claims being made out in the names of third parties, to whom the land had been sold at an advance. This syndicate, in the first place, bought the land for twenty thousand dollars less than the current price, and sold it almost immediately at an advance, reaping a handsome profit by the transaction.

Wm. Ferguson's Flyer in Provincial Lands.

In January, 1903, according to information in an official return submitted to the Legislature, the Department of Provincial Lands sold 17,053 acres in the Quill Lake district at \$1 per acre to George Bowles, banker of Winnipeg, who acted as the purchasing

agent for a syndicate. A motion having been made in the Legislature by the opposition in 1906 for a copy of all options to purchase these lands, or reservations with respect to their sale, prior to their sale to Mr. Bowles, Mr. Roblin declared that there had been no such options or reservations. Subsequently it transpired that the official record of the transaction was untrue. The province did not sell these 17,053 acres to George Bowles. They sold the lands at \$4 an acre to William Ferguson, M.P.P., for Hamiota, who, within a month, resold them to Mr. Bowles for \$4.50 an acre, picking up by the transaction the neat little sum of \$8,500.

These facts were established by documentary evidence, including the quit claim deed from Mr. Ferguson to Mr. Bowles and the cheque with which the purchasing syndicate paid the rake-off.

In the face of this evidence, Mr. Ferguson admitted the transaction, his explanation being that this sort of thing was being done all the time and that there was nothing wrong about it. Mr. Ferguson said that he bought this land from the Government and resold it at a profit of fifty cents an acre before his next payment came due, the land being deeded directly to the purchaser by the Government after he had paid him the first deposit and his profit. Mr. Ferguson also claimed that the whole of the profits did not inure to him, as he had a secret partner in the person of an official of the Provincial Lands Department.

Mr. Ferguson thus admitted that he had trafficked in Provincial lands while a member of the Legislature, putting the profits in his pocket, and that the records in the Provincial Land Department had been "cooked" to hide the fact that he had been trafficking in these lands.

Hugh Armstrong Speculates Profitably

In 1902 the Provincial Government sold 18,800 acres of land on the Brokenhead river, through D. S. Macdonald to the Eastern Manitoba Land Co., which was one of the business enterprises of Hugh Armstrong, M. P. F. for Portage la Prairie, now Provincial Treasurer.

This land was bought from the Provincial Government by private sale at from \$2 to \$2.25 per acre. A business man was permitted by Mr. Armstrong to come in and assume half the liability to the Province upon the payment of a high initiation fee. Subsequently this land was sold to third parties, part of it at \$3.50 per acre, and part at \$4.50 per acre. Mr. Armstrong making a pretty profit out of this speculation in Provincial lands.

The Ridd-Gerrie Deal.

On June 20, 1904, the Department of Provincial Lands transferred 6841 acres in township 17, range 11 east, to Robert Ridd, a furnaceman in the old courthouse in this city, then earning \$7 a week, at \$240 per acre. The cash paid down by Ridd, as shown by the official record, was \$1633.85.

In a letter to the chief clerk dated Nov. 28, 1905 W. Richardson asked

that the matter of payment be allowed to stand, adding, "I'll see the commissioner with whom I made the deal."

On July 27, five weeks after the sale to Ridd by the Roblin Government, Ridd transferred the 6,841 acres to Chas. Gerrie, caretaker of the old court house (salary \$720 year). But nine days before the transfer on July 18, Gerrie sold the 6,841 acres for \$65,412.75. Of this amount there was a cash payment of some \$20,000, which was made, not to Gerrie, but to a lawyer representing Gerrie and the persons behind him. Both Ridd and Gerrie were merely figureheads.

An important element in the value of the 6,841 acres secretly disposed of by the Roblin Government via Caretaker Gerrie and Furnaceman Ridd is this land adjoins one of the chief water powers on the Winnipeg River, which intersects the property.

A striking contrast both in regard to methods of sale and prices realized is furnished by the public auction sale in September, 1906, under direction of the Dominion Government, when 1,231 acres of school lands contiguous to the Ridd-Gerrie lands were sold by public auction. They realized an average price of \$63.05 per acre, as against \$2.40 per acre for the 6,841 acres secretly disposed of by the Roblin Government.

A Richardson-Armstrong Venture

In March, 1909, W. P. Davidson, of St. Paul, acquired possession of 70,000 acres, some thirty miles southwest of Winnipeg, the price being between \$700,000 and \$800,000.

These 70,000 acres form seven-eighths of the area of provincial lands which were disposed of by the Roblin government to a syndicate of its political friends, represented by Mr. William Richardson, of Portage la Prairie, at \$3 per acre. The negotiations between Mr. Richardson and Mr. Roblin, commissioner of provincial lands, began in the fall of 1905, as the official records show. On Nov. 25, 1905, the chief clerk of the department of provincial lands, replying to W. Richardson's letter of Nov. 23, wrote: "Another party endeavored to arrange with the commissioner shortly after you left, but commissioner would not accept cash deposit on this basis, as you had agreed to purchase."

This proves that two prospective purchasers were after the block of land in question, amounting to 80,386 acres, and that Mr. Roblin, the commissioner, had given Mr. Richardson an option. Some time previously, a farmer, Gerhart E. Cornelson, of Steinbach, wrote to the department, asking for the selling conditions of southwest quarter and northwest quarter of 31-5-7 east. He received a reply that, as there was another applicant to purchase, the half section would have to be sold by tender, according to the regulations. This is cited to show how the law was lived up to in the case of an ordinary farmer wishing to buy a half section. In cases like that of the Portage la Prairie syndicate, there is nothing like this. The land is not put up by public notice to be tendered for. Deals are privately arranged, options being given.

The commissioner was Mr. R. P. Roblin. On Dec. 8, 1905, the deal was closed, and the 80,386 acres passed out of the ownership of the people of Manitoba at \$3 per acre, except nine sections, for which \$3.50 per acre was paid.

Of this area, some 10,000 acres—the best land—were retained by the purchasers, and 70,000 acres were taken over by a company called The Western Wheat Lands & Timber Co., Ltd., which contained some of the original purchasers. Mr. Hugh Armstrong, now provincial treasurer, was a director of that company, which was floated in London. The 70,000 acres, which finally passed to Mr. Davidson, of St. Paul, for more than \$10 per acre, see the 70,000 acres disposed of by Mr. Roblin at a bargain price to a syndicate of political friends in Portage la Prairie. How large the profit was on the 10,000 odd acres which constituted the most valuable portion of the purchase, there are no means of ascertaining. But it is known that the other 70,000 acres which was sold by the province for \$3 per acre were resold to the present holder for more than \$10 per acre. Why should not the province have held all this land and realized the profit on it instead of the few favored individuals who, by a deal made with Mr. Roblin, cinched it without tenders being called for?

The Guinan Land Deal.

Enquiry into this transaction by the public accounts committee in 1909 showed that Thos Guinan, manager of the Red River Land Co., bought over 16,000 acres within a few miles of Gladstone and Plumias, at the average price of \$3 per acre.

It was found that Guinan secured the land from the provincial government in May, 1908, on a payment of only \$5,200, and resold practically the whole of it within a few months, or at any rate before September of the same year, at prices varying from \$4.75 an acre to \$6 per acre, thus netting a profit of over \$30,000.

When Guinan first planned to buy this land, it did not belong to the province. But he had seen Mr. Roblin several times and Mr. Roblin had called at his office several times, and as a result of an understanding arrived at at those interviews, Mr. Guinan got the impression that Mr. Roblin would let him have the lands as soon as they were transferred from the Dominion Government to the Provincial Government. Mr. Guinan then took steps to secure an early transfer from the Dominion Government; and in this connection he secured the services of one Mr. E. H. Cunningham. Cunningham was in the employ of C. H. Forrester, the confidential agent, who had been employed by the Roblin Government to purchase for them a site for the new Winnipeg Telephone Exchange. So great was Guinan's haste to get these lands transferred that he induced others to make request to the department at Ottawa to get the lands surveyed and transferred. The lands were transferred to the Province by the Minister of the Interior on Dec. 20, 1907. They were sold

by the Provincial Government in the following May, to Guinan.

The Montague-Roblin-Rogers Arrangement.

In the Foster-Globe libel action tried in Toronto in February, 1910, there was filed as evidence for the defence a document which throw a vivid side-light upon the methods which have marked the disposition of the Provincial lands of Manitoba. This document was a direction, signed by W. H. Montague, bearing date May 1, 1903, to the Union Trust Co., instructing the company to convey to certain parties an interest in certain lands owned by the Montague syndicate which had been purchased with money advanced by the Foresters. The instructions were that, with respect to nearly forty thousand acres of the land, a one-quarter interest was to be conveyed to the following parties: Hon. W. H. Montague, Hon. Dr. Oronhyatekha, Lieutenant-Colonel J. A. McGillivray, K. C., and the Hon. George E. Foster.

Proceeding, the instruction reads: "And I direct you to convey to each of the following parties: Hon. R. P. Roblin, M.P.P., and Hon. Robert Rogers, M.P.P., both of Winnipeg, one-tenth interest each in Manitoba Government lands."

The lands set forth in the memorandum are:

Sections 3, 9, 15, 21 and 27, west half section 25, east half section 35, township 36, range 19, west of second meridian.

Sections 3 and 5, township 37, range 19.

Southwest quarter section 7, in townships 27, range 4, west of second meridian.

These lands, amounting to over five thousand acres, were part of the M. & N. W. lands belonging to the province of Manitoba and they were sold by the Manitoba Government to the Montague syndicate. In view of these facts, the meaning of the instruction given the Union Trust Co. by Dr. Montague is reasonably clear. The document filed in court is in typewritten form, except that the names of the beneficiaries are in the hand-writing of Dr. Montague.

None of these parties, however, profited by the instruction of Dr. Montague. Col. E. G. Stevenson, Supreme Chief Ranger of the I.O.O.F., giving evidence in the Globe-Foster trial, said that he had intervened in the interests of the Foresters and had insisted that, since the speculation was being made with the Foresters' money, the Order should be the sole beneficiary, and finally carried his point. Dr. Montague quit-claiming the lands to the Foresters on Dec. 13, 1905. Though Dr. Montague failed to deliver the goods, there was no question of his intention.

On the last day of the session of 1910, Mr. Rogers read a letter in the Legislature from Mr. Montague, declaring that he purchased these lands from the Government, and that neither Mr. Roblin nor Mr. Rogers had any interest in them. The direction to the Union Trust Co., which was signed by Dr. Montague himself and bears internal evidence of having been prepared by him, tells its own story.

PUBLIC LANDS SQUANDERED

Province Has Lost at Least Five Million Dollars by the Disposal of Lands in Large Blocks to Speculators.

While the province of Manitoba has never owned its public lands, it has acquired lands from two sources—swamp lands obtained from the Dominion government and railway lands taken over in payment of obligations.

When the Greenway government went out of office, it turned over to its successors a landed estate amounting to 1,744,873 acres, made up of swamp lands, 957,536 acres, M. & N. W. lands, 531,337 acres, and Hudson's Bay railway lands, 256,000 acres. In the last ten years, there have been transferred to the province by the Dominion government 1,047,903 acres of swamp lands, bringing the total amount of land entrusted to the Roblin government for administration to 2,792,776 acres.

The manner in which they have conserved this valuable estate can be judged from the fact that the land holdings of the province on Dec. 31, 1909, according to the official figures, amounted to 1,353,382 acres, being 409,600 acres less than the amount transferred to them despite the fact that they had received over a million acres during their term of office. They have disposed of 1,439,394 acres of land and the resulting proceeds to date have been dissipated in the ordinary expenditures of the province.

There has thus been an enormous inroad made upon the capital of the province.

Swamp Lands.

Swamp lands in Manitoba are transferred, after being surveyed and adjudged to be swamp lands, to the province by the Dominion, by virtue of an arrangement made in 1884. Up to the 31st Dec., 1909, there had been transferred 2,005,439 acres of swamp land. Of this, 408,692 acres had been transferred prior to 1896, when the Conservative government went out of office at Ottawa, since 1896 the transfers have aggregated 1,596,742 acres. It is estimated that there are still 5,000,000 acres of swamp lands to be transferred to the province.

The Greenway government, between the years 1888 and 1893, sold 69,830 acres of swamp land for \$223,416, or an average of \$3.15 per acre. In the ten years since 1900, the Roblin government has sold 728,990 acres for \$2,469,696, or an average of \$3.38 per acre. Thus, although the price of farm land in Manitoba has tripled and quadrupled in value during the last ten years, the Roblin government has got for the swamp lands it sold an average of only 15 cents an acre over the average of the twelve-year period of the Greenway administration.

The M. & N. W. Lands.

In 1899, the Greenway government took over from the M. & N. W. Railway, in lieu of a liability amounting to \$1,158,784 (Report of Royal commission) 542,560 acres of land to be selected from their land grant. This arrangement was vigorously denounced in the legislature by Mr. Roblin, then the leader of the opposition, as improvident and wasteful.

Speaking at Carman on Aug. 17, 1899, he referred to it repeatedly as a "monstrous transaction," saying also that the administering of these lands "would give the government patronage, and perhaps something more than "patronage." The arrangement was "an infamous deal" as late as Dec. 23, 1901, when Mr. Roblin spoke at Holland.

The Telegram also opposed the transaction on the ground that the government would sell the lands and use the money for ordinary purposes. "This," it urged, "would be deplorable, as this money represented capital and borrowed capital at that." Mr. Greenway, in submitting the arrangement to the legislature for its ratification, declared, July 20, 1899, that it was the intention of the government to sell these lands "only to actual settlers." It was also provided that all receipts from the sale of these lands should be kept in a trust fund to meet the liabilities assumed by the province in connection with the M. & N. W. Railway.

One of the first acts of the Conservative government after taking office was to destroy this trust fund and to provide that all moneys received from the sale of these lands should be thrown into general revenue and made available for ordinary expenditures. The government proceeded to sell off these lands as rapidly as possible, in large areas to speculators, most of them political friends of the government, at low prices, with the result that four-fifths of the land has already been disposed of. From returns brought down to the legislature upon motion of the opposition in 1909 and 1910, it appears that up to the 31st Dec., 1909, the present government have sold off 465,000 acres, at an average of less than \$4.00 per acre, and have used the proceeds to date, amounting to \$1,493,849.77, as if they were ordinary revenue instead of "capital and borrowed capital at that." In selling the lands to party friends the government have also allowed them to get into arrears to the extent of nearly half a million dollars. (Sess., Paper 19, 1910.)

The figures below are taken from the sessional paper No. 19 of 1909, except as to the figures for 1909, which are calculated from the return made in 1910.

M. & N. W. Land Sales.

Year	Acres	Tot. Pre.	Ave
1897	336.99	800.00	2.39
1898	2,232.50	5,901.25	2.64
1899	8,111.20	22,292.56	2.74
1900	10,178.26	30,534.28	2.99
1901	97,375.28	302,605.99	3.10
1902	201,655.76	803,957.50	3.98
1903	86,962.35	348,159.43	4.00
1904	9,057.85	36,807.33	4.06

1905	3,687.66	14,957.82	4.05
1906	26,811.98	132,906.21	4.95
1907	8,687.28	48,833.35	5.62
1908	4,548.25	24,943.78	5.48
1909	5,439.17	32,635.02	6.00
	465,067.34	1,805,334.52	3.88

The average price for these lands, the best lands in the Quill Lakes district, is absurdly low. None of these lands can be bought to-day from the speculators who purchased them from the Manitoba Government at these ridiculous prices, for less than \$12 to \$15 an acre.

Even at the low price for which the land was sold, it will be seen that the amount to be received for the lands already disposed of is far in excess of the liability which was met by taking over the lands. That the arrangement made by the Greenway government was a prudent and profitable one has been admitted repeatedly in recent years by various provincial treasurers, including the late Hon. J. A. Davidson and the Hon. Hugh Armstrong, the present holder of the office. In his budget speech of Feb 15, 1909, Mr. Armstrong said:

"It is only fair that I should accord to the late Greenway Government the credit of having made a profitable bargain with the Manitoba and Northwestern Railway company in regard to the retirement of these bonds."

A comparison with the prices obtained by the Dominion Government for school lands indicates how heavily the province has lost by the policy pursued by the Roblin Government. School lands are not picked lands and are therefore less desirable than the M. & N. W. lands, which represented the cream of the selection made by the railway. All the M. & N. W. lands owned by the province were located in the province of Saskatchewan, and as the table printed above shows, the province got an average of \$3.88 an acre for them. Contrast this with the average price per acre paid for school lands in Saskatchewan, as set forth in a return from the Department of the Interior.

1899-1909 average per acre	\$11.27
1902-1903 average per acre	9.74
1904-1905 average per acre	13.77
1905-1906 average per acre	14.32
1906-1907 average per acre	14.67
1907-1908 average per acre	15.21
1909-1910 average per acre	15.98

From 1882 to Dec. 31, 1909, the school lands sold throughout the west, in Manitoba, Alberta and Saskatchewan, aggregated 1,161,757 acres, and the average per acre for the whole period amounted to \$10.29.

The explanation of the difference is that the school lands were sold by public auction after advertisement, while the M. & N. W. lands were jobbed off in large quantities to party friends at prices fixed by the government.

It is a moderate calculation that the 465,000 acres of this land disposed of for a total consideration of \$1,800,000, should have brought at the least \$4,500,000, thus indicating a loss of principal to Manitoba of \$2,700,000, not taking

into account the further loss of interest on the larger amount of deferred payments.

The Hudson's Bay Railway Lands.

In the year 1898, the province had a claim against the old Winnipeg & Hudson's Bay railway for some \$559,000, being bonds to the value of \$256,000, with accrued interest for twelve years. In that year it made a settlement with the Canadian Northern Railway, which had taken over the W. & H. B. charter, on the basis of a transfer to the province of 256,000 acres of land "fairly fit for settlement," out of the Dominion land grant that it would earn by the building of a railway from Sifton Junction to Swan River, which was being guaranteed to the extent of \$8,000 a mile by the government of Manitoba.

The land grant was earned in the following year, and in 1900, during the administration of Hugh John Macdonald, the selection was begun. By the terms of the arrangement the selection was to be made from the lands lying between Lakes Winnipeg and Manitoba and was to extend to other land holdings of the Company only in the event of an insufficient amount of land fairly fit for settlement being found in the area between the lakes.

When the Roblin government came into office this land selection stopped and was never resumed.

In May, 1903, the Canadian Northern Railway disposed of its entire land grant to the Saskatchewan Valley Land Co.

In May, 1904, the Canadian Northern Railway, not being in a position to transfer the 256,000 acres of land "fairly fit for settlement," made an arrangement with the Provincial Government by which they agreed to pay \$400,000, in four annual installments.

The effect of this transaction was that the province sold to the Canadian Northern 256,000 acres of land, "fairly fit for settlement," for \$400,000. This is at the rate of \$1.56 per acre.

The Roblin government has put forward various defences for their course on this matter. A defence that has been used upon occasion by both Mr. Roblin and Mr. Rogers is that the Dominion Government is responsible, because it refused to survey the townships from which the land was to be chosen, despite "repeated representations." This has been shown to be untrue. A Dominion return of the correspondence between the two governments shows that no request for a survey of these lands was ever made upon the Dominion government until Oct. 1903. In its reply the Dominion government promised to carefully consider the matter, but the sale to the C. N. R. took place the following May, before anything could be done.

It has also been claimed that, had the government gone ahead and ploughed its lands in the unsurveyed townships, it would have been obliged to do so under terms set forth by the Canadian Northern, in a letter to the government stating that the province must accept a certain number of sections in

THE RAILWAY RECORD

Province Has Incurred a Contingent Liability for Thirty-Five Million Dollars and Has Neither Control of the Operation or the Freight Rates.

Up to the end of the last session of the Legislature the Province had assumed a contingent liability on behalf of the Canadian Northern Railway of \$34,779,586.

The following table shows the details of the guarantees to the Canadian Northern to date, as they appear in Acts of the Legislature in the years named:—

Year	Miles	Rate
1896.		
1—Gladstone to Winnipegosis	125	\$ 8,000
1899.		
2—Winnipeg S. E. to Boundary	108	"
3—Sifton Junction to Erwood	177	"
1900.		
4—Dauphin to Grandview	27	"
5—Carman Jct. to Carman, 70; (b) Neewawa Jct. via Carberry through Neewawa, 53; (c) Rossburn Extension to Clanwilliam, 20; (d) Beaver to Gladstone, 18	161	"
6—Winnipeg to Oak Point	55	8,000 (for pt.) 5,000 (for pt.)
Afterwards 7 lines 1 to 5 guaranteed extra..		2,000
No. 6 an extra		5,000
1903.		
8—Clanwilliam, northwesterly, 80; Emerson, easterly, 20; McCrear, easterly, 18; Carberry to Virden, 40; Roland to Morden, 20; Portage to Carberry, 20; Greenway extension, 40; Minto to Melita, 30; Thunderhill Br., 20; Fairfax Br., 15; Carberry Jct. to Carberry, 20	343	10,000
1905.		
9—Carberry west to Boundary	100	"
10—Winnipeg east	25	"
11—Above line to Bird's Hill Gravel Pit	7	"
12—St. Charles cut-off	7	"
13—Emerson Sprague cut-off	50	"
1906.		
14—New Branch to Deloraine	35	"
15—Oakland northwesterly	50	"

16—Oak Point, northwesterly	25	10,000
1907.		
17—Neepawa to the Boundary	80	"
18—Virden northwesterly ..	20	"
19—Birds Hill northwesterly ..	15	"
1909.		
20—Hallboro to the boundary	110	13,000
21—Oak Point northerly and northwesterly ..	50	"
22—McCreary to Winnipegosis	50	"
1910.		
23—Oakland to St. Rose du Lac	55	"
24—Birds Hill to Ft. Alexander ..	50	"
25—From Oak Point spur northerly ..	40	"
	<hr/>	<hr/>
	1,762	

Summary

Authorized guarantees in Manitoba	
1407 miles at \$10,000	\$14,070,000
355 miles at \$13,000	4,615,000
	<hr/>
1672	\$18,685,000
Winnipeg terminals, 1909	3,000,000
Northern Pacific capital account	7,000,000
C. N. R., Minnesota, 1900 (Direct Debt)	349,000
M. & S. E. (Ont. Div.)	5,745,586
	<hr/>
Present contingent and direct debt	\$21,779,586
Guarantees in force	
Dec. 31, '09	\$20,948,873
N. P. capital liability	7,000,000
	<hr/>
	\$27,948,873
Liability for lines not yet built	\$6,830,713
The liability actually in force is made up as follows:	
Page 129, Public Accounts	
1909 for lines built up to Dec. 31, 1909	\$11,851,286
Same page, Winnipeg terminals	3,000,000
Same page, Ontario Div.	5,745,586
Page 130, Public Accounts	9,000
	<hr/>
	\$20,948,873
Add N. P. liability	7,000,000
	<hr/>
	\$27,948,873

The Greenway Guarantees

The Greenway Government inaugurated the policy of assisting the Canadian Northern to build lines by guaranteeing its bonds. It gave guarantees to the extent of \$8,000 a mile on these sections of its road:—

Gladstone to Winnipegosis	
125 miles	\$1,000,000
Winnipeg—Southwestern	
108 miles	861,000
Dauphin to Grandview	
27 miles	216,000
Sibley Act to Erwood, Minn.	
14 miles	1,416,000
Minnesota section	219,000
	<hr/>
Total	3,812,000

The last item, the Minnesota section, was assisted by Provincial debentures not by guaranteed bonds, but as the railway pays the interest and provides for the principal under penalty of mortgage foreclosure these bonds may fairly be classed with those which are simply guaranteed.

Roblin Increased Guarantees by Twenty-four Millions.

The Greenway Government therefore pledged the Province's credit, in aid of the Canadian Northern, to the extent of \$3,845,000. Under the Roblin Government the aggregate amount of guarantees has grown to \$27,779,586.

The Roblin Government raised the amount of the guarantee from \$8,000 a mile to \$10,000 a mile, and gave guarantees for an extra \$2,000 a mile upon the mileage already guaranteed on the lower rate by the Greenway Government. This extra \$2,000 a mile was alleged to be for "equipment."

These guarantees must continue to roll up. Mr. Roblin declared in the Legislature, Jan. 7, 1907, that the Province had no option but to guarantee all lines constructed by the C.N.R. in the Province, since the mortgage of the Province applied to all lines built or to be built by the company.

The justification for the arrangement with the Canadian Northern Railway, which has involved the province in these heavy liabilities, was that the following desirable objects would be obtained:

1. The building of many additional miles of railway.
2. The control of the operation of the road.
3. The control of freight rates over the road.

With respect to the first object, the total Canadian Northern mileage in Manitoba at the end of 1909 was only 1289 miles, and no less than 649 miles of the system was built and in operation when the present Government took office, so that the huge guarantees have resulted in only 640 additional miles being built.

"All the Benefits of Government Ownership."

Mr. Roblin, in his speech in the Legislature on March 6, 1901, in moving the second reading of the bill to confirm the deal made with the Canadian Northern, said:

"A plank in our party was Government Ownership—in so far as it was practicable and desirable.

"In the bill before the House we **have all the practical benefits of Government Ownership.** . . .

"We have escaped all the dangers of Government Ownership, and secured all that is practically beneficial and desirable."

The "practical benefits" which would result from Government Ownership of railways would certainly include the power to control the operation of the road and to fix the rates. The claim that they had these powers was made by the government in securing the ratification of the agreement with the

C.N.R. by the legislature, and subsequently in the elections of 1903, in securing the approval of the electors.

The Provincial government to-day, upon its own admission, has no control whatever over the Canadian Northern Railway, either as regards operation or freight rates.

In the session of 1907, Mr. Roblin repudiated the claim that the province controls the Canadian Northern Railway. Speaking in the legislature. Feb. 5, 1907, he said: "Some people and some newspapers could not understand the matter, but persist in saying that the C.N.R. is a government-owned and government-controlled railway. The fact was that the government had no more control over the C.N.R. in its general operations than over the C.P.R. The only interest and control it had was in the matter of freight rates."

It will be noted that Mr. Roblin, in denying the control of the C.N.R., was careful to preserve to the province the control of the freight rates, and in the campaign literature of 1907 much emphasis was laid upon the "absolute control of rates" conferred upon the province by the C.N.R. agreement.

No Control Over Freight Rates.

Mr. Roblin has now, however, repudiated the power of the province to supervise in any manner the freight rates of the Canadian Northern railway. In August, 1909, D. W. McCuaig, on behalf of the Grain Growers' Association, wrote to the Premier, making complaint of alleged excessive rates on wheat between Gilbert Plains and various points on the C.N.R. system, and asking the Premier to deal with the matter. Writing to McCuaig in reply, on Sept. 8, 1909, Mr. Roblin said:

"I presume you are aware that the statute creating the railway commission of Canada was passed subsequent to the contract made between the Canadian Northern and the Province of Manitoba, and that the statute provides that the matter of rates and every other thing in connection with the operation of railways that has been declared to be of general benefit to Canada, are subject to that commission."

Thus Mr. Roblin sought to shunt the control from the province to the Railway Commission.

Subsequently, on Sept. 28, 1909, Mr. Roblin wrote Mr. McCuaig further, enclosing a letter to him from G. H. Shaw, traffic manager of the C.N.R. In this letter, Mr. Shaw claimed that the rates on the current tariffs showed a reduction from the rates in force in the province of Manitoba on the C.P.R. lines, on Feb. 11, 1901, the date of the signing of the C.N.R. contract, of 15 per cent., and he held that this must be accepted as "the full limit of reduction under the Act." Mr. Roblin accepted Mr. Shaw's statement, apparently without any independent inquiry on his part, and in his letter to Mr. McCuaig referred to it as a "very effective reply." "Therefore," said Mr. Roblin, "every condition had

been fulfilled that was stipulated in the agreement with the province." He concludes his letter by informing Mr. McCuaig that the C.N.R. has "passed beyond the jurisdiction of the province."

It thus appears that, while the province is bound by the guaranteeing of the Canadian Northern bonds to the extent of some nearly thirty million dollars (not counting the Northern Pacific liability) and will continue bound for the balance of the thirty year period, it has lost absolutely the consideration which induced it to assume this obligation. The Manitoba government cannot compel the Canadian Northern railway to supply a suitable service over any portion of its system within the province of Manitoba, though the lines were built by reason of the assistance furnished by the province; nor is it able to modify or control in any manner the freight rates charged by the C.N.R.

The Ten Cent Rate Abandoned.

With this repudiation by the provincial government of its right of control, there goes by the board the hope for the ten cent rate on wheat which has been cherished by the grain growers of the province for many years, and which has been repeatedly encouraged by Mr. Roblin. In the first speech which he made after accepting the premiership, at East Poplar Point, in November, 1900, Mr. Roblin said: "The ideal figure is a rate on wheat to Lake Superior of ten cents a hundred and six cents a bushel. **That is the goal my government has in view.** I am not able to make a statement of the means which will ensure such a rate, yet it is the goal towards which we are going, and I, as first minister, will not rest until we have secured such a rate for the farmers of Manitoba."

And in moving the second reading of the bill, ratifying the C.N.R. agreement, on March 6, 1901, Mr. Roblin said: "The right to control these rates was not obtained without considerable argument and negotiations. They (the C.N.R.) undertook, on their part, to try and prove that it was better to have a fixed rate—that we should have an immediate reduction say of twenty per cent. on the tariffs of the C.P.R. as they existed, but I did not agree with them, for, while ten cents may be a fair and reasonable rate today, five years from now it may be an exorbitant one."

It will be noted that Mr. Roblin here admits that he rejected an immediate reduction of twenty per cent. in the tariff because he preferred to retain the control of rates with a view, not only of bringing the rate down to a ten cent basis, but ultimately of reducing it to a still lower figure. Yet now he pleads that a fifteen per cent. reduction, which is five per cent. less than the reduction offered by the C.N.R. in 1901, must be accepted as a complete estoppel of any claim for a further reduction of rates, although the rates have not reached the desired ten cent level yet to say nothing of the still

lower rates which Mr. Roblin saw with prophetic eye in the future.

The net reductions on outgoing wheat obtained as the result of the C.N.R. bargain amount only to three cents per hundred pounds from all stations west of Winnipeg, and four cents per hundred from all stations east of Winnipeg.

Temporary Reductions.

Immediately before the general elections of 1903, the Roblin government issued an order in council ordering the C.N.R. to adjust its freight rates throughout the Province on the basis of a ten cent rate from Winnipeg, which involved a reduction of four cents per hundred over the whole line from the rates in force at the time the C.N.R. contract was made. The government pledged itself that these rates would be in operation in time to take out the fall crop and these rates actually went into operation on Sept. 1. On Oct. 6, 1903, however, the rate was cancelled at all points west of Winnipeg, and a new rate of one cent per hundred pounds higher put in force. This is the rate which is still in existence.

It is thus found, after ten years of the Roblin administration, with an arrangement with the C.N.R. by which the province has assumed a contingent liability of thirty-five million dollars, that the net result has been a reduction of three cents per hundred pounds on wheat from Manitoba to the lake front. Contrast this with the fall of freight rates during the life of the Greenway government. In 1888 the wheat rates from Manitoba to the lake front were twenty-four cents per hundred pounds, and in 1890 they were fourteen cents per hundred pounds, a reduction of ten cents per hundred pounds as against the three cents per hundred reduction achieved by the Roblin government after ten years of effort.

It thus appears that the province has nothing to show for the thirty-five millions of contingent liability which it has accepted.

It does not control the operation of the C.N.R.

It does not control freight rates on the C.N.R.

But it is compelled by the terms of its own arrangement with the C.N.R., to extend automatically its guarantee to every mile of additional railway which the C.N.R. may build in the province.

Should be a Ten Cent Rate To-day.

It is not to be forgotten also, that, before the Roblin government could make its arrangements with the C.N.R., it had to tear up the contract made by the Hugh John Macdonald government with J. P. McDonald of New York. This contract provided for a line to Duluth and for between three and four hundred miles of railway in Manitoba, the province to guarantee the interest on \$12,000 per mile on the mileage in Manitoba, and on \$15,000 per mile on the Minnesota mileage, in return for which 51 per cent. of the stock was to be deposited with the Railway Commissioner of Manitoba, the province was to appoint the controller and audi-

tor of the company, and there were to be specific freight rate reductions, the grain rate being fixed at ten cents, with passenger rates not to exceed 2½ cents per mile between stations in Manitoba.

Had this contract been carried out, there would have been a ten cent rate all over the province to the lake front at the present time.

SWORE ROGERS GOT \$150,000

The late G. A. S. Potts, lawyer of Winnipeg, who was a very active Conservative and high in the councils of the party, entered suit against the C. P.R. for \$20,000 for his services in settling the strike of the C.P.R. mechanics in October, 1908. The following excerpt is taken from his sworn testimony in his examination for discovery:

Cross-Examination

Mr. Elliott—

Q.—Mr. Potts, you made a reference in this examination to Mr. Bury telling you that you should have been paid out of an election fund. Tell us all you know about this matter and all that Mr. Bury said to you regarding it.

Question objected to by Mr. Aikins.

A.—I didn't say, Mr. Elliott, that I was to be paid out of an election fund. Mr. Bury, when I insisted upon my being paid, said that I should look to the campaign fund, not to an election fund, but to a campaign fund, and I told Mr. Bury at the time I didn't know anything about a campaign fund. Well, he told me that the C.P.R. had always treated the party very decently and that as a result of the settlement which had been made, myself for the western division and Mr. Rogers with Sir Thomas Shaughnessy, for the eastern division, that the C.P.R. had—no, I must not say that—he didn't say the C.P.R. but either the company or the directors had contributed \$150,000 to the campaign fund and that I should look to the campaign fund for my money.

Q.—Was it told you by Mr. Bury to whom that \$150,000 was given?

A.—To Mr. Rogers.

Mr. Aikins—Question and answer both objected to as being utterly irrelevant.

Witness—Furthermore, Mr. Rogers told me himself—

Mr. Aikins—Well, this is entirely irrelevant.

Q.—Go on Mr. Potts; Mr. Rogers told you what?—

I don't think so, Mr. Aikins; I think it is very pertinent.

Mr. Aikins objects to this evidence and what Mr. Rogers said as being utterly irrelevant to the issue.

Witness (continuing)—That he had received a substantial amount from the Canadian Pacific Railway Company, or, to be more exact, that he had received that amount from Sir Thomas Shaughnessy or one of the directors in Montreal.

The Mr. Bury referred to is the General Manager of the C.P.R. Western Lines.

PUBLIC MONEY FOR PARTY PURPOSES

License and Police Departments Hives of Party Workers—Tens of Thousands of Dollars Squandered Under the Guise of "Aid to Municipalities"—A Corrupt System.

A feature of the Roblin administration which has been brought to perfection during the ten years in which he has held office, is the manner in which the Government makes the business of the country serve party and political ends.

The permanent party organization which is maintained throughout the province is all paid for, in one form or another, out of the public funds. To illustrate, W. H. Hastings, the chief organizer, draws his salary as a legal adviser of the Government, getting over fifteen thousand dollars from this source during the last three years. The outside organizer, who has done most of the traveling, is Ed. Doran, who is nominally an official of the License Department, but does no work for that Department and has been subject directly to Mr. Hastings' orders.

A Nest of Political Workers.

The License Department is a nest of political workers, with the result that the cost of administering this Department, which was only \$5,110 in 1899, amounted in 1909, just ten years later, to \$29,958, an increase of nearly 600 per cent., although the population in the interval had only doubled. There is a similar state of affairs in the Provincial Police Department, where the cost has risen from \$4,385, in 1899, to \$25,603 (Mounted police not included) in 1909.

The outlays by the Attorney-General's Department for the administration of justice also cover up thousands of dollars spent annually for political purposes. One of the most energetic workers of the Government, who has taken an active part in all elections during recent years, was Detective Jackson, whose agency drew \$2,300 from the Treasury in 1908. There are also a large number of political workers on the payroll of the Agricultural Department, masquerading as immigration agents, weed inspectors, game guardians, and so forth.

"Aid to Municipalities."

It is the Public Works Department, however, in which this system has reached its greatest point of perfection. The policy of the Government in voting yearly a large sum of money and placing it at the disposal of the Minister of Public Works for distribution as Aid to Municipalities, has placed within the hands of Mr. Rogers the means of carrying on in any part of the Province a very effective cam-

paign, at the expense of the people of the Province. The annual outlay in the form of Aid to Municipalities is determined very largely by the political necessities of the year. In 1906, which was a year of political calm, this expenditure was limited to \$120,516. In 1907, when there was a Provincial general election, it rose to \$142,749. And in 1908, when the Provincial Government used its influence to the utmost to secure the election of Conservative candidates in the Dominion election, it rose to the very large sum of \$216,203, dropping the following year, 1909, to \$149,785. The excess in 1908 over the years preceding and following, suggest that some \$70,000 or \$80,000 of the money to municipalities was really used for political purposes in 1908.

The Methods of Szablewski.

Some of the methods followed by the government have been investigated during the last two years by the public accounts committee, with the result that some little light has been thrown upon the means employed. One of the witnesses examined in 1908 was F. S. Szablewski. This individual was originally employed as a school inspector of Ruthenian schools, but in July, 1908, he was taken over by the public works department as a "road inspector," although he had had no experience whatever in this class of work. Szablewski was entrusted with the expenditure of many thousands of dollars in districts included in the Dominion constituency of Selkirk. In the cases of two vouchers, covering an expenditure of some five thousand dollars in the neighborhood of Gimli, he admitted that he had ordered the work done in September, engaging the individual workers, and that, on Oct. 23, 24 and 25, immediately preceding the Dominion election, he had delivered 134 cheques to the parties who had been engaged upon the work. Szablewski admitted that he had distributed similar cheques in many other cases. Szablewski made the admission before the committee that he called for no tenders for the work, fixed the remuneration, employed the men, and certified, himself, to the accounts. It was also established that, immediately before the Gilbert Plains by-election, in November, 1908, although the ground had frozen up, he did some road-making along these lines in the Galician districts, to the extent of several hundred dollars. The work on the roads was stopped the day after the election. In all these cases, it is quite clear that the money of the province was spent in the buying of votes under the thin disguise of doing public work.

Political "Road Inspectors."

In the 1910 session, the public accounts committee examined several school inspectors and road inspectors, who were known to be chiefly political workers, to find out what they were being paid salaries for. In the case of one man, A. Munson, Mr. Dancer, deputy minister of public works, swore that this man was "supposed to be" an inspector of public works under his orders in his department, but admitted

he did not know him, had given him no reports, and received no reports from him. Mr. Munson was relieved from his office and given another as police magistrate.

J. Borthwick was another inspector who received \$1,341 as salary. Mr. Dancy said this man was employed inspecting work in southern Manitoba and also in getting right-of-way agreements in certain drainage districts. All the latter, Mr. Borthwick, who lives at Morden, admitted he got in Winnipeg. He claimed to have spent three months on this work away from home for which his hotel bill cost him only \$15. He kept no account of his time, but swore that between Jan. 1 and Nov. 1, 1909, he spent three months in Winnipeg. Asked what were you doing the other six months? Borthwick, under oath, said: "At home; I went home to save expenses."

An inspector named Shields, in the public works department, was also examined, but failed to give any satisfactory explanation of his time, and swore he could not find any record of his time. The enquiries were blocked by the government and further information refused. There are twelve such inspectors.

The Industrious Baderski.

J. Baderski was examined as to his duties. He was paid as a school inspector, but says he is a schools organizer. He received \$75 a month and expenses, but admitted that he was out of Winnipeg 32 days in 1909 organizing, and only organized three school districts, one of which another organizer named Stefank claimed he organized. The rest of the time Organizer Baderski professed to be answering correspondence from Winnipeg, but he kept no file of letters and could only produce about half-a-dozen that he received.

Even the Agricultural College Used

As an illustration of how even the public institutions are utilized for party purposes, the evidence of J. Kuneman, formerly instructor in the Dairy Dept. of the Agricultural College, is available. Mr. Kuneman was at the college from March 1908 to since then he has employed a manager of a large province here. Registering that he was away at the college was for the purpose of an educational work in the district. He says that he was told by Black and was instructed by Roblin. He had gone away for ten days during the month of June, but his salary was not paid for these Accounts

Principal Black could not remember the date and gave a general description of the statements. Kuneman is under oath. At the time the man was sent to these districts he was a teacher in Assiniboia and was told his services would not be needed there by the government.

THE GOVERNMENT AND THE GRAIN GROWERS

Not a Single Request Made By The Grain Growers Conceded By The Government.

How complete the Roblin-Rogay Government, at the expense of the development of their own policy, have disappointed the expectations of the Grain Growers is revealed by a study of the editorial utterances of the Grain Growers' Guide, which is the official organ of the Grain Growers' Association. The issue of the Guide of Feb. 23, 1920, with the personnel of the commission which was to be appointed to operate the proposed system of government owned elevators, it said:

"No member of the executive of the association can be appointed to the commission unless after being a member of office. This is a wise provision because it answers once and for all the charge advanced by critics that the directors of the Grain Growers were merely working to create a lucrative position for themselves."

Yet the same provision, to which the directors of the Grain Growers' Association were elected by the government, was not applied to the government's own directors. The directors were appointed to the commission and held their office standing in the name of the commission. The commission's report upon the government's proposal for the public ownership of elevators being submitted to the legislature.

The Guide said in its issue of March 6, 1920: "We cannot see how the bill, should it become law, will give any satisfaction to the Manitoba farmer, or provide relief he is seeking. We believe that we voice the sentiment of the farmers of Manitoba when we say it would be far better to have no change in the present conditions than to have the bill now before the legislature become law."

The bill thus denounced as worse than useless, has since become law substantially as it was submitted to the legislature by the government. The only amendment of note made during its passage through the house was the striking out of the provision which assumed to give the commission the power to expropriate existing elevators. Thus we have the acknowledgment of the Grain Growers that it would be better to have no change in the present conditions than to have the law which is now on the statute books.

In its issue of March 16, 1920 the Grain Growers' Guide devoted a good deal of space to vigorously supporting the contention by the Grain Growers that the commission should be independent of the government and responsible only to the legislature. Noting a conference which had been held between the directors of the Grain Growers' Association and the government, it said:

"Doubt which had been expressed as to the unanimity of the Grain Growers in demanding an independent commission was effectually disposed of during the meeting. All the speakers made themselves very clear, and President McCuaig informed the agricultural committee that the Grain Growers' elevator committee was of one mind on this point."

Replying to the argument that the appointment of a commission responsible not to the government, but to the legislature would be a precedent, the Guide said:

"The time for the appointment of a bona fide independent commission in the administration of affairs has arrived. It may be precedent, but it will be a wise precedent. The farmers of Manitoba have placed themselves on record in favor of an independent commission to have charge of the public system of elevators. It is then the duty of the legislature and the government to see that the wishes of the people are carried out."

Reasons why the legislature might properly delegate the duty of supervising the elevator system to a special commission and not to the government were expressed in these terms by the Guide in the issue of the same date:—

"The theory is that the legislature is supreme, but practice shows that the supreme authority is the cabinet, which directs the policy of governments. The cabinet ministers are influenced by environment, and these environments, as we stated, are not usually sympathetic to the masses of the people, who create the wealth. By its influence on the legislature, the cabinet has powers conferred upon it to transact the business of the country. If the legislature can confer this power upon the cabinet, it can also confer powers to any other committee to carry on certain branches of the business of the province. This principle is recognized by the Grain Growers, and embodied in their request that the proposed elevator system should be operated by an independent commission nominated by the directors of the Grain Growers' association."

And finally the Guide summed up with this declaration:

"There has been one outstanding feature throughout the entire discussion on the elevator question, not only in the legislature but in the press and public mind of the province of Manitoba. This is the importance which the Grain Growers attach to the principle of having the control of the commission to operate these elevators free from political party influence."

This series of quotations make it very plain that the Grain Growers regarded it as of vital importance that the commission should not be subject to the direct control of the government. The quotations made from the issue of March 16 of the Guide are directed against the provisions in the government bill which make the elevator commission a mere adjunct of the department of public works of the province of Manitoba. Despite the strong objections of the Grain Growers to these provisions, they were retained in the measure which became law. The elevator commission provided for by that legislation is subject to the complete control of the government of the day, and is therefore entirely unsatisfactory from the point of view of the Grain Growers.

In the issue of March 23, the Guide commenting upon the invitation extended to the Grain Growers' directors by the government, to name commissioners, said:

"We do not believe in the policy of naming more than three commissioners from which the government may choose. The Grain Growers should submit the names of three men in whom they have confidence. If the government can explain why any of the three should not be appointed, then it is a matter for further consideration by the elevator committee."

The directors of the Grain Growers did not adhere strictly to the line of policy here laid down. After naming the three men whom they wanted as commissioners, they were induced to make one alternative recommendation. They were urged to do this by D. W. McCuaig, their president, and they made the recommendation of W. C. Graham, at his request and upon his assurance as to his fitness for the position. Looking backward, it appears that Mr. McCuaig knew at that time that the government intended to appoint both him and Mr. Graham to the commission, and took this means of having Mr. Graham receive the needed recommendation.

In its issue of March 30, the Guide expresses its surprise that the promises made in the agricultural committee that the petition clause in the Elevator act should be struck out, had not been kept. It said:

"There appears to be considerable surprise that the petition clause of the Elevator Act passed by the Manitoba legislature, remains unchanged. It was apparently the general understanding that the petition clause would be amended by the agricultural committee so that it would apply only in the case of a new elevator to be erected. This was our understanding also, but it appears that we were all wrong. The Act clearly states that no elevator can be secured anywhere unless there is a sixty-per cent. petition from the farmers near it, signed, thus there is no change in the petition clause of the original bill as introduced by the government. The pledge was altered slightly so that it applies only to newly constructed elevators, but in any event a pledge is of no use without a penalty. Just why this change was not made by the agricultural committee, we do not pretend to understand, but at any rate we know that it was not changed, and that the present bill does not provide for an elevator anywhere unless a sixty per cent petition has been signed by the farmers."

The petition clause is meant to make difficulties in the establishment of government elevators. There is no provision, for instance, delimiting the areas in which the petition must be produced. The clause in the bill is drafted in the vaguest manner. It will be quite practicable for a commission, subject to the government, to declare with respect to any shipping point, either that the petition is sufficiently signed to justify an elevator or that it is insufficiently signed. It practically gives the government the full power of determining whether there is to be an elevator at a given point, or not, thus putting into their hands the power which they will use for all it is worth, politically.

In its issue of May 18, in noting the appointment of the elevator commission, the Guide draws attention to the fact that: "In accepting an appointment on the commission, Mr. McCuaig has gone against the resolution of the elevator committee, which was to the effect that no officer or director of the Manitoba Grain Growers' Association should accept a position on the commission until he had been a year out of office." Its note on this is as follows: "This, of course, is a matter which rests with Mr. McCuaig and the rest of the directors."

Further, in this article, the Guide takes the ground that there must be no general election in Manitoba before the system of government-owned elevators has been established. It says:

"We make this a fair proposition that the government should give the Elevator Commission the present season in which to put the government elevators into operation. Then it will be time for the government to ask for the renewal of the confidence of the farmers of Manitoba."

Further the Guide says:

"We repeat our protest against any elections being held before the elevator commission is allowed to do its work. We stand by this, and we know the farmers of the province are behind us. The farmers of Manitoba want government-owned elevators, and they are not in the mood to accept any trifling on the part of the government. If the government will provide a system of elevators satisfactory to the farmers of Manitoba, they will then have good reason to claim a renewal of the confidence of these farmers—not till then."

The answer of the government to this will be to bring on the elections at the earliest possible moment, this summer.

The Grain Growers will be able to judge for themselves whether the government has, at any stage of the proceedings, played fair with them.

OILING THE MANITOU MACHINE

Snowflake is in the constituency of Manitou, which is represented by Mr. Rogers. The Public Accounts for 1908 showed the following payments out of the provincial treasury to parties in the Snowflake district:

Page 321—W. R. Sims, work on Brown's drain	\$215.25
Page 194—W. H. Moore, detective's fees	714.95
Page 191—S. Handford, salary as Inspector	500.00
Page 191—S. Handford, Detective's fees	100.00
Page 190—Ralph W. Handford, salary \$900; expenses \$149.25 ..	1049.25
Page 190—Isaac Cousins (Mowbray), salary \$480; expenses \$54.25 ..	534.25
Page 344—James Cousins, deepening Snowflake drain	156.00

The total of these seven items is \$3,269.70, all spent in one small district. They are not all for alleged public works, it is to be observed; two of them, totalling \$814.95, are for private works of the class with which the name of Sherlock Holmes is associated. Most of this money was spent for the purely political purpose of keeping Mr. Rogers' fences in that district in order.

PARTISAN ADMINISTRATION OF JUSTICE

**Many Malicious Political Prosecutions
Against Liberals—Not One Conviction
Secured—Serious Offences That
Have Gone Unpunished Through
Political Pull.**

The partisanship which has characterized the administration of justice since Hon. Colin H. Campbell became Attorney-General, was made the subject, at the 1919 session of the Legislature, of a condemnatory resolution which was moved by T. C. Norris, leader of the opposition, and strongly supported by members of the opposition. This resolution was in these terms:—

"That this house condemns the government for the administration of the attorney-general's department to serve political ends, which has characterized the said department in the last nine years, and has resulted in the escape of persons under suspicion for grave crimes, the improper release of convicted criminals, the remission of fines for partisan purposes, and the persecution of political opponents by the institution of unwarranted actions, as evidenced by the failure to secure a single conviction in nine years."

The partisanship of the new regime was indicated at its outset by the dismissal throughout the whole province of Manitoba of all magistrates appointed by the previous Liberal Government, and by the revoking of all appointments of J. Ps. This was done despite the pledge in the Conservative platform of 1899, that all positions having to do with the administration of justice should be filled by "representative men, independent of politics."

During the nine years that Mr. Campbell has been attorney-general, there have been scores of cases where political opponents of the Government have been prosecuted for alleged offences, political and otherwise, without a single conviction being obtained. Among these cases, many of which were referred to in the Legislature, were the following:

V. Winkler, M.P.P., was charged in the fall of 1909, with a political offence, having relation to the Lisgar election of Nov. 7, 1909. The case was dismissed at the preliminary hearing, but, a year later, at the fall assizes in Winnipeg, it was revived, by the instruction of the attorney-general, and Mr. Winkler was placed on trial. Judge Bain threw the case out of court without requiring any evidence from the defence.

Some twenty-five parties, including returning officers, deputy returning officers, and others, were arrested immediately after the Dominion election of 1901, charged with political offences in

connection with the preparation of the lists upon which the election had been held. Two-thirds of these cases were abandoned upon the preliminary hearing and the remaining cases were kept alive for three years and were finally abandoned after the expenditure of many thousands of dollars by the attorney-general's department. There was not a single conviction in all the cases arising out of this election.

In October, 1904, Mr. P. Harvey was arrested in Minnedosa on a trumped-up charge of having offered money to a voter. Ball was refused and he was brought to Winnipeg, where he was released. This case was abandoned on the preliminary hearing.

At the Dominion elections of 1904, a provincial constable of Morden arrested a well-known Liberal resident of the town, as the result of circumstances arising out of the election. The constable was sued for damages and a verdict of \$500 was awarded against him.

In 1905 a Liberal named J. Goodman was arrested in Winnipeg, charged with having secured improperly the registration of certain electors. When the case was tried in the assize court the crown attorney, after presenting the case, abandoned the case, stating in the court room that the complaint should never have been laid.

During and after the Dominion election of 1908, there was the usual list of criminal cases against Liberals who took an active part in the election. A respectable farmer in Dauphin was arrested on a charge of having offered money to a Gallelan. The magistrate who issued the warrant refused to accept bail; it was found necessary to take him by train 150 miles, to Portage la Prairie, where he was released by the county court judge. The case was subsequently abandoned.

J. A. Dempsey, a well-known citizen of Neepawa, was arrested on two charges immediately before the election day. One charge was thrown out at the preliminary hearing, and the other was thrown out by the grand jury at the following assizes in Portage la Prairie.

In the city of Winnipeg, on the evening preceding the Dominion elections of 1908, special officers representing the attorney-general's department, arrested three active Liberal workers and threw them into the provincial jail. The officials of the jail, acting under the instructions of the attorney-general himself, refused admission to a judge who went there to bail out the parties, and they had to remain in custody until the following morning. These cases were abandoned at the preliminary hearing.

J. H. Ingram returning officer in the Brandon constituency, was arrested on election night charged with altering the voters' lists. After the preliminary hearing, the attorney-general's department notified Mr. Ingram that they

did not intend to go ahead with the prosecution, but Mr. Ingram insisted upon the case being brought to trial. The case was tried before Judge Ryan and was dismissed, the evidence showing that Mr. Ingram had been guilty of no offence whatever.

At Gimli, on election day, two men, representing themselves to be provincial constables, arrested a Liberal named Grabosky, when he was proceeding to the poll, and locked him up in the jail of Gimli till the day was over, when they set him free. Grabosky brought an action for damages against the constables and won his case at the Winnipeg summer assizes of 1909. Damages to the extent of \$100 were awarded against the constables, which, with the costs, brought the total penalty up to nearly \$600. The fine and costs were paid by the attorney-general's department by a treasury cheque.

After the provincial registration of 1908, in the local constituency of Morris, which Mr. Campbell represents, a German farmer named Stobriez was arrested on a charge of improperly registering, and was brought into Winnipeg in place of being brought before the local magistrate. This case was abandoned upon the preliminary hearing.

The zeal shown by Attorney-General Campbell in instituting prosecutions against Liberals is equalled only by the energy he displays in suppressing prosecutions against parties who are of use to the Roblin machine. There have been many cases in which parties charged with most serious crimes have escaped prosecution by reason of their political interest.

The notorious Lac du Bonnet incident is a case in point. In 1904, immediately preceding the Dominion election, Thomas Houston, police magistrate at Lac du Bonnet, got a telegram signed John H. Campbell, instructing him to do nothing further in the prosecution of a man named Bruneau, against whom a warrant for the illegal sale of liquor had been issued. Bruneau was an active political worker and the intention of the telegram was to shield him. The only reply ever attempted to this charge was Mr. Campbell's plea that he had not personally sent the telegram. It is, however, indisputable that it was signed by an official in his department, authorized to act in his behalf.

In the G. W. Wood bucket shop case, the attorney-general abandoned the prosecution as the result of a bargain, the details of which have always been shrouded in mystery. It was stated at the time that Wood was allowed to escape prosecution upon the payment of an unspecified amount to some unidentified parties for the purpose of recouping the losses of unknown parties said to have been victimized in their dealings with the bucket shop. An incident in the adjustment of this difficulty was the withdrawal by Wood of criminal and civil libel actions

against the editor of the Telegram for comment on the case while it was sub-judice. The course of the attorney-general in this matter was so extraordinary that it attracted the attention of "Truth," the well-known English weekly, which, in its comment upon it, said: "The course taken by the government is certainly not calculated to promote confidence in the administration of justice in Manitoba, and the official plea that 'justice is satisfied' when a man charged with theft and fraud makes restitution to the persons he has wronged, is decidedly startling"

On Jan. 15, 1910, R. Calder, Canadian Northern agent at Margaret, Man., was sentenced to the provincial jail for five months by Magistrate McMicken on a charge, to which he pleaded guilty, of having robbed the company of \$860. On Jan. 17 the jail doors opened and Mr. Calder became a free man. The Liberals sought to investigate the circumstances of this release at the last session of the Legislature. They summoned the governor of the jail and the magistrate before the public accounts committee, but the committee, upon the motion of the attorney-general, refused to permit them to be examined on this point. The Liberals moved for a return of the papers in the case, and they were brought down on the day the Legislature rose. An attempt to bring on a discussion on the subject during the latter days of the session was blocked by the government, which placed the motion on the order paper for a day subsequent to the rising of the House. When the papers came down dealing with the release of Calder, it was found that they consisted of a letter from Magistrate McMicken, assuming the responsibility for what had been done. Mr. McMicken said that, having been informed the day after he had sentenced the young man, that he had returned \$100 of the stolen money, he had suspended the sentence, and the young man had thus been set free. Magistrate McMicken had no power whatever to suspend the sentence, once he had rendered it and the man had been committed to jail, and his statement as to the reasons which induced him to suspend the sentence are untrue, because the fact that restitution of half the money had been made was brought out in court, and was indeed the reason given by Mr. McMicken for making the sentence a mild one. The explanation of the release is that Calder had influential relatives in the constituency of the Hon. Robert Rogers, and that his release was dictated by political considerations. It should be borne in mind that the provincial authorities have not the pardoning power; that the only person who can parole or discharge a prisoner before the expiration of his sentence is the minister of justice of Canada.

A particularly disquieting incident of Mr. Campbell's occupancy of this position is the astonishing number of serious crimes which have gone unpunished in the province during the last few years. There have been at least seven murders, one at Elkhorn, four in Winnipeg, of which Chinamen were the

victims, one in the neighborhood of Mouris, one in the C. P. R. yards in Winnipeg, and one in the Galician quarter in Winnipeg, for which no parties have been punished. Another notorious case is the failure of the department to take the proper steps to secure the apprehension of H. W. Todd, who was held responsible in 1906 for the death of a woman in Winnipeg. The coroner brought in a verdict of murder against him, but no serious attempt was made to bring him to justice. Todd had been an active party worker in both Brandon and Portage, and this appears to have stood him in good stead.

The Winnipeg Tribune of Dec. 25, 1907, said: "Considerable comment has been heard on the streets lately owing to the number of men charged with serious crimes that have so far escaped punishment.

"At the present time, there are a number of men wanted on a charge of murder, but no systematic plan seems to have been adopted to apprehend them. It is claimed that the police department is very seriously handicapped owing to the attorney-general's department declining to be a party to the spending of the necessary money to detect the criminals or to bring them to justice.

"From the number of men charged with murder and other very serious offences, and who have escaped, Manitoba seems to be a regular Utopia for the culprits."

These are simply a few of the many cases which establish the partisanship and the incompetency of the attorney-general's department as administered by Mr. Campbell.

MR. ROBLIN AS AN ELEVATOR MAN

Mr. Roblin has always been, by inclination and interest, favorable to the elevator interests in their controversies with the producers.

As long ago as 1898, he bitterly opposed, in the Manitoba legislature, the passage of a resolution calling upon the Dominion parliament to pass an act compelling the railways to build loading platforms. He denounced the advocates of this resolution as agitators, and characterized the proposed action as confiscation.

In 1899, when there was a bill before the Dominion house to compel the railways to recognize and do business with freight warehouses, Mr. Roblin, as president of the Dominion Elevator Company, headed a Winnipeg delegation representing the elevator interests, which went to Ottawa to fight the measure. Speaking before the special committee charged with the consideration of this measure, on May 10, 1899, he strongly objected to the elevator business being subjected to the competition provided for by this legislation—protesting that, as there was no elevator combine, there was no need for it.

If Mr. Roblin had had his way there would be today neither loading platforms nor freight warehouses, and the farmers would be tied neck and heels to the elevator combination.

THE LIBERALS AND THE ELEVATOR QUESTION

Pledged To Put The System In Charge of a Commission Subject Only To The Legislature.

When the Roblin government's elevator bill came up in the legislature for its second reading the following amendment was moved by T. C. Norris:

"That this bill be not now read a second time, as it takes wider powers than are possessed by this legislature; but that in the opinion of this House it is desirable to embody the following principles in an act to be passed this session to provide for a system of government-owned elevators: That such system should be controlled and operated by an independent commission, satisfactory to and accepted by the Grain Growers of Manitoba; that said commission should have full power to locate, construct, purchase by valuation (but in such case without any allowance for goodwill or prospective profits), operate, maintain and administer all elevators under such system, with power to appoint or dismiss any employees, and to deal with any moneys entrusted to their charge under this bill; and said commissioners shall be irremovable except by a two-thirds vote of the legislature; but provided always that all moneys to be borrowed or expended for the purpose of this system shall first receive the express authorization of this legislature by special act, or by submission and approval in the estimates of the current year; and that all accounts of the commission shall be treated as trust accounts and shall be submitted to the legislature at the same time as the public accounts are, after being duly audited by the provincial auditor."

Mr. Norris, speaking in support of the amendment, strongly advocated placing the management of the elevators in an independent, non-partisan commission. "So far as the opposition are concerned," said Mr. Norris, "we stand for a really independent commission responsible, not to the government, but to this legislature, just the same as a provincial auditor is. It is no new constitutional principle or change, but a well established one that we are advocating in opposition to the government scheme."

Mr. Norris' amendment was defeated 23 to 13, all the opposition members voting for it.

At the Liberal convention held on April 5, 1910, a resolution was adopted approving the position taken by the Liberal members of the legislature.

The Liberals are therefore pledged to place the government elevators in charge of an independent commission subject only to the legislature.

THE ROBLIN GOVERNMENT AND THE GRAIN EXCHANGE

The prize joke on the farmers, of the Roblin administration, was the enactment of a law in 1908, amending the charter of the Winnipeg Grain and Produce Exchange. Certain conditions were imposed upon the Grain Exchange by the government, in accordance with requests made to the government by organizations representing the farming interests of the province. In order to insure, so it was claimed, that no future action by the Grain Exchange should be detrimental to the interests of the farming community, the government provided in its bill that all future by-laws must be approved by G. H. Walker, prothonotary, who is an official of the government. Upon the passage of the bill, the Roblin government took great credit to itself for the manner in which it had curbed the "monopoly" in the interests of the producers of grain.

The sequel has been enlightening. The Winnipeg Grain and Produce Exchange, deeming the restrictions objectionable from their point of view, decided to disband and go out of business. There was only one difficulty in the way of their doing so, and that was the problem of what they were to do with their building, then approaching completion, in which they had some \$300,000 or \$400,000 invested. It was decided to form the Traders' Building Co. and to transfer the building to it. This transfer could only be made by the passage of a by-law by the Grain Exchange. This by-law having been passed by the Grain Exchange, was submitted to Mr. Walker in accordance with the provisions of the act, and he promptly subscribed to it, charging the government \$100 for doing so (Voucher 1745, Public Accounts for 1908, page 164).

The Winnipeg Grain and Produce Exchange, having thus transferred its property, proceeded to go out of business, and the grain dealers re-organized on a voluntary basis. The Grain Exchange, as it now exists, is an entirely different institution from the Grain Exchange against which the legislation of 1908 was levelled. It is operated, not under charter but by a partnership arrangement, and, as such, it is not in the least subject to the legislation which Mr. Roblin enacted in 1908, nor is it in any measure controllable by the Roblin government or the legislature.

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