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BOTH WILL SERVE THE EMPIRE IN THE FIELD



The Canadian who enlists to fight the foe and the one who remains to feed the friend.

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THE LIBERAL ATTITUDE.

THE Montreal *Gazette*, the leading organ of the Conservative party in the province of Quebec paid a fine tribute to the attitude of Sir Wilfrid Laurier and the Liberal party since the outbreak of the War, when it said in the course of an editorial on January 27th:

"There is no fault to be found with the attitude of the official Liberal party, in Parliament or out of it. Its attitude has been in general keeping with that of the Unionists of Great Britain. Its leaders recognized that when Great Britain was at war the whole Empire was at war. They recognized also that the responsibility for action rested upon the government of the day, and quietly assented to all that it was proposed to do. In this they strengthened the ministers' hands for the great work events have put upon them. For the first time since Confederation, it may be said, a great political issue arose and was dealt with by Parliament as something not to be used to help or hurt a party cause. All this was well, and is duly appreciated."

GOVERNMENT ORGANS PROFIT.

THE extent to which the loyal Conservative party newspapers of the Dominion have profited from government business during the last fiscal year is shown in the report of the Auditor General.

The Montreal *Gazette* heads the list with a total of \$153,000, of which \$148,000 was for Government printing. The Winnipeg *Telegram*, the organ of Hon. Robert Rogers, drew down \$44,059, of which \$38,000 was for printing. *L'Événement*, Hon. Pelletier's Quebec paper, got a little over \$30,000; *La Patrie's* bill was a little over \$28,000; The Moncton *Times* came in for \$23,000, and The St. John *Standard* for \$27,058. Other Conservative newspapers were awarded as follows: Fredericton *Gleaner*, \$3,434; Halifax *Herald*, \$7,181; Hamilton *Spectator*, \$8,657; London *Free Press*, \$9,148; Toronto *Mail & Empire*, \$9,561; Toronto *News*, \$7,657; Toronto *World*, \$6,722; Toronto *Telegram*, \$3,629.

BY ELECTIONS FOR HOUSE OF COMMONS.

SIX vacancies in the House of Commons, caused by death or Government appointments of sitting members to positions in the gift of the Government, have been filled. In pursuance of the political truce declared at the outbreak of the War, there were no party contests, the nominee of the party holding the vacant seat being returned without opposition except in the constituency of Terrebonne, where an independent Conservative was put in the field against the regular Government nominee.

The nominations held on February 1st resulted in the election of the following new members: in Westmoreland, Arthur B. Copp, succeeding the late Hon. H. R. Emmerson; in Jacques Cartier, Jos. A. Descarries, K.C., succeeding the late Hon. F. D. Monk; in Prince Albert, Sask., S. J. Donaldson, former M.P.P., Saskatchewan, succeeding James McKay, appointed to Supreme Court bench; in London, Ont., William Gray, succeeding the late Major Thomas Beattie; in South Waterloo, Ont., F. Stewart Scott, succeeding the late George A. Clare. In Terrebonne, the regular Conservative nomination for the vacancy caused by the appointment of Hon. Bruno Nantel to the Railway Commission of Canada was given to G. Rochon, law partner of the former Minister of Inland Revenue. The nomination apparently did not meet with the approval of a large section of the Conservatives of Terrebonne, with the result that J. A. Beaulieu was put in nomination as an Independent Conservative. The election on February 8th, resulted in the return of Mr. Rochon.

DEPRESSION NOT CAUSED BY WAR.

EXISTING depression in the trade of Canada cannot be blamed on the War, according to Sir Edmund Osler, Conservative Member of Parliament for West Toronto, and President of the Dominion Bank. At the annual meeting of shareholders of the Dominion Bank, held at Toronto on January 27th, Sir Edmund, as reported in the Toronto *News*, "intimated that he refused to accept the theory that the existing depression in trade was to any extent produced by the War. Anything that we may have suffered, said Sir Edmund, is more than offset by the higher prices we have obtained for grain and the large orders placed in the country for war material."

At a time when it has become the accepted thing to account for falling revenues and hard times generally by putting the whole blame on conditions created by the War, it is interesting to find that Sir Edmund Osler is not the only authority on financial matters who refuses to accept this plausible excuse. It is a coincidence that it was on the same day, January 27th, that General Manager Richardson of the Bank of Nova Scotia, at the annual meeting of the bank held at Halifax, said, as quoted in the press. "To be quite frank, those who blame the present depression on the War are only hugging a delusion, for the reaction from speculation, extravagance and over-expansion was inevitable, however much it may be aggravated by war conditions."

THE SESSION OF PARLIAMENT.

THE fifth session of the present Parliament of Canada opened on February 4th. The Speech from the Throne was naturally confined altogether to the question of the War, and Canada's part in the struggle will of course be the most important business and will be given precedence over all other matters. The ordinary routine of public business, however, will be dealt with and it is therefore uncertain how long the session may continue.

The attitude of the Liberal Party in Parliament was clearly outlined at the outset of the session by Sir Wilfrid Laurier. In his speech on the Address in reply to the Governor General's message, the Leader of the Opposition clearly and unhesitatingly renewed the pledge given at the special War Session last August, to support the Government in its war policy. At the same time he declared that it is expected that the Government will give a full statement and accounting of the expenditures made out of the \$50,000,000 war fund placed at their disposal last August. In this connection Sir Wilfrid made special reference to the public scandal regarding the boots furnished for the Canadian soldiers, drawing attention to the fact that the matter had been raised and discussed in the press of England and Canada and could not be overlooked by Parliament. Sir Wilfrid's speech contained an instructive and inspiring reference to the progress of the War, also a reference to publicly expressed views of Premier Borden regarding the relations between the Dominions and the Empire, which are reproduced herewith.

Pledge of Liberal Support.

"The speech from the Throne is confined altogether to the question of the War. Nothing else is mentioned in it. The speech simply says that:

My advisers will submit for your consideration measures rendered necessary by the participation of this Dominion in the great task which our Empire has undertaken in this War.

"Already there is on the Order Paper a motion by the Prime Minister to provide something like \$100,000,000 to that end. Let me say at once that we who sit on this side of the House and who represent His Majesty's Loyal Opposition took our course at the outset of hostilities when we declared that we would support the Government in their war policy. We conceived that it was our duty to do nothing to embarrass the Government, but on the contrary, to do everything in our power to facilitate the task, the heavy task, which had been placed in the hands of those to whom, for the time being, the Canadian people had entrusted their fortunes. We have acted upon this principle all along, and again we are prepared to act accordingly. We meet the summons of His Royal Highness in the same spirit to-day, in the month of February, as we met it in the month of August last. We are prepared to give to the Government, to those who for the moment have the confidence of the Canadian people under our constitutional system, the support to which they are entitled for the attainment of the great end which we all have in mind.

Entitled to full Statements.

"But whilst we are prepared to do nothing more than, perhaps, we should do, at the same time we are entitled to have from the Government a full statement of the expenditures which they have made out of the \$50,000,000 which was placed at their disposal last August. The Canadian people have been generous with their money; they continue to be generous with it; but whilst we are prepared to believe, as indeed we do believe, that mistakes have been made in the manner in which the money has been expended, that errors of judgment have been committed, of those mistakes and of those errors of judgment we are not disposed to be critical.

It would be hardly possible to expect that in the case of the expenditure of some fifty million dollars no mistakes would arise; it is perhaps more than we can expect from human nature; but we cannot close our eyes to the fact that not only have mistakes been made, but frauds have been committed which have resulted in injury to the health of our troops, and impairment of their efficiency. These frauds have been regarded as so gross and so criminal that the Minister of Militia himself, not more than two or three weeks ago, stated, not once but three or four times at different places in the country, that if he knew the man who supplied the boots which have been the cause of so much disease, and sickness, and suffering to our soldiers on the plains of Salisbury, that man would deserve to be shot. The honour of the minister is at stake, and so is the credit of the country."

Responsibility Must be Placed.

"It is not impossible to discover the responsible parties. Up to the present the minister is responsible, and it is for him to take the necessary measures to vindicate himself. We have been told that a commission of three members has been appointed by the Government to investigate this particular matter, and not later than ten or twelve days ago it was stated that the minister himself, not satisfied with this inquiry, had instituted a departmental investigation to ascertain the true facts. I do not know if this is all that is intended to be done by the Government; but let me say that the fullest light should be thrown upon this matter, so that the people of Canada may know where the responsibility lies. No member on this side of the House intends to be critical, and for my part I certainly have no such intention; but assuredly we are all gravely concerned that the health and comfort of those brave men who are risking their lives in the cause of the Empire shall have every protection that we can afford. I would say to my Hon. friend, the Minister of Militia, were he in his seat, that in certain quarters the blame is cast upon him. It is said that the fact that the boots which were supplied to the troops were not what they ought to have been, is not the fault of the workmanship or of the material supplied, but the fault of the specifications furnished to the manufacturers."

Manufacturers Blame Government.

Sir Wilfrid proceeded to quote from the Shoe and Leather Journal, a semi-monthly trade paper published in Toronto, which stated in its issue of January 1, that the fault was with the specifications furnished by the Government, and not with the manufacturers, and that "the specifications are for a shoe that does very well for use in Canada for parade or training purposes, but which does not answer for wear in England, much less in Europe." He also quoted from the same issue, extracts from an interview with Mr. W. V. Matthews, manager of the manufacturing department of Ames-Holden-McCready of Montreal, which firm received an order for 62,500 pairs of military boots, or about one-fourth of the entire quantity ordered to that date. Mr. Matthews was quoted as saying that the shoes were "never meant for foreign service" and did not at all resemble the standard army patterns generally endorsed by Great Britain and European nations; also that the English army boot weighs 65 ounces, while the shoes supplied to the Canadian Government would not weigh more than 38 ounces. Mr. Matthews argued that the Canadian shoes were meant to be used by the soldiers while in training to accustom their feet to heavier footwear.

People Should be fully Informed.

Commenting on this, Sir Wilfrid declared that he was not altogether satisfied with the statement of Mr. Matthews, neither was he prepared to condemn the Government upon that statement, but he held that it was a matter which ought to be thoroughly enquired into, and upon which the fullest information should be given to the Canadian people. Concluding, Sir Wilfrid said:

"The atmosphere is filled with various assertions to the effect that the men who were sent to the front were not properly equipped. But I will not refer now to anything but the defect in the boots, which has been so widely discussed in the press of Canada and of England that it cannot be passed over in silence. I say again that I refer to the matter now, not for any party purpose, but in order that we may have the truth and the whole truth about it, so that we may know upon whose shoulders to place the responsibility, and thus guard against the recurrence of such mistakes or offences. I refer to the matter now in order that our men who are already at the front—and some of whom have already given up their lives on the fields of France for the Empire—may be enabled to give their whole energy and vigour to the noble cause they are fighting to uphold."

The Dominions and the Empire.

"During the recess my right honourable friend the Prime Minister and some of his colleagues have expressed the view, not in a way to which I take exception, that the British system as it exists to-day ought to be altered so as to give the Dominions a voice in all questions of peace and war. If I mention the matter to-day it is not because I intend here and now to enter into any controversy upon it, though the subject be highly controversial

first, from the point of view of the Imperial authorities, who have more than once in recent times stated that in their opinion such an assumption would be perilous, and also in the view of the Dominions, who, if they were to assume such a power, must assume also very heavy burdens in time of peace as well as in time of war. But, I repeat, I do not intend at this moment to enter into any controversy. The task which is weighing upon us is heavy enough not to increase it by the introduction of subjects which may be not only controversial but which at the time may not be practical. The time will come when peace will be restored, and then will be the time to discuss these and many other problems which will have to be taken up by all British peoples. In the meantime, for my part, I hardly believe that any system that can be devised, or that can be reduced by legislation to any complete form applicable to the daughter nations of the Empire, can ever have the same inspiring grandeur, or the same patriotic efficiency, as the action of the Dominions all over the world—the voluntary, spontaneous action of all those Dominions—in lining themselves up behind England in the hour of her trial."

The Progress of the War.

Referring to the developments in the great conflict, Sir Wilfrid said: "It is some six months since His Royal Highness called the Canadian Parliament in extra session in order to consider and to enact such legislation as might be required on account of the terrible war which had just broken out in Europe, and the effect of which is felt to-day over the whole world. Again we meet, this time according to a process ordered by the constitution, to transact the regular business of the country; but unfortunately the regular business of the country is far outweighed by the necessities and terrible responsibilities of the War. Although we can rejoice that the terrible movement of the German army which was in progress while we were here in the month of August last has been baffled and most victoriously repulsed—that movement, the object of which was the occupation of Paris and the crushing of France—still, notwithstanding this early triumph, we must recognize that the horizon is still dark and very much clouded, and unfortunately we cannot see any sign on the horizon which would lead us to hope for an early return of peace. At the outset of the hostilities one man there was who had a clear vision of what was impending, and that man was Lord Kitchener when he stated that the War must be a long protracted struggle, and that perhaps three years would not see the end of it. Many there perhaps were at the time who were inclined to think that this was a pessimistic view, and who believed and hoped that the events would falsify it. And, considering the weapons, the terrible engines of destruction which the application of the discoveries of modern science has added to the art of war—if I may degrade so far the word art—and considering also that European militarism has forced millions of men into armies, perhaps the supposition was not unnatural that, whichever side might win, the struggle must be short and decisive, as it had been in 1866 in the war between Prussia and Austria,

and as it had been in the war of 1870 between Prussia and her allies and France. Such was undoubtedly the view of the Kaiser and the German staff, and if they gave any heed to the defence which was forecasted by the word of Lord Kitchener, they evidently felt they could afford to ignore it, supposing they could win before such a defence could be successfully organized."

The Kaiser's First Mistake.

"This was the first mistake of the Kaiser, and the first time that Lord Kitchener showed his prescience. It is a historical fact that, when the German armies were mobilized at the end of July last, there was not a man in those armies, from the Kaiser and the German staff down to the lowest corporal and the youngest private, who was not convinced that in four weeks at most they would be in Paris, and France would lay prostrate at their feet. They came within sight of the citadels of Paris, within hearing of their bells, when the sudden movement of the armies under Generals Joffre and French threw them back upon the Marne and from the Marne to the Aisne. The Germans were thrown back to the Aisne; but—let us be sincere with ourselves—though defeated, they were neither routed nor crushed. That was in the early days of September and from that time to this the German armies have been unable to penetrate the lines of the Allies, unable to reach the new goal they had set for themselves after they were driven back from Paris: Calais, on the English Channel. The most famous regiments of the Prussian army were in vain thrown against the lines of the Allies, and the flower and pride of the German army were sacrificed, I will not say wantonly, although that might be justified.

War May be Long.

"But let us be frank with ourselves. Though, since the month of September the Germans have been unable to pierce the allied lines, yet the Allies have not yet been able to drive the Germans out of France and Belgium and back across the Rhine. The prognostications of Lord Kitchener seem to be verified. It seems probable that the War will become a process of attrition, and that the sacrifice of human lives to this Moloch of war of which we have a daily account, will go on for weeks and months, and the months may lengthen into years. On both sides there have been successes and reverses, and on both sides the blood of men has flowed in torrents. If this were an ordinary war, the very circumstances to which I have just referred would justify the hope of an early opening for peace. If this were an ordinary war, I repeat, some friendly mediator might step in between the combatants and ask them to desist, to listen to the voice of peace. But this is not an ordinary war."

A War Between Principles.

"It is useless at this time to argue about the War; but we can never forget that the struggle which has been going on in Europe for the last six months is a contest between two principles; the principle of liberty and the principle of dominance. If there ever was any doubt upon this point in the mind

of anybody, that doubt has been removed by the German professors, German publicists, and German journalists, who have attempted to lay before the civilized world the causes of the War. Though they pretended that Germany was not the aggressor, they plainly showed that the thought at the back of the head of the Emperor of Germany and, I am afraid, in the minds of the people of Germany themselves, was that Germany was superior to all the rest of the world, that it was her destiny to rule, and rule, as they imagined, for the benefit of mankind. They have made it abundantly clear that if the Allies should be defeated in this War the result would be the annihilation of Belgium as an independent nation, the dismemberment of France, the degradation of England to the rank of a second-rate power, the absorption of Holland, and the dominance of Europe by a military despotism. The full significance of the struggle has been more than once declared by the Kaiser himself in this formula: "There is no will but my will, there is no law but my law—the law which I myself lay down." This means that if Germany were to be victorious in this War, a setback for years and perhaps for centuries would be given for the advance of democracy, for the elevation of the race, which have been won by the practical good sense of England and by the idealism of France."

A Force greater than Force.

"If any proof were needed of those conquests, the proof is supplied by the conduct of the dominions, the colonies and the dependencies all over the world which acknowledge British sovereignty. It is a well-known fact that German publicists and German military writers have prophesied that whenever a continental war should come England would be powerless to take part in it; that the moment the first shot was fired England would be torn by internecine factions; her possessions beyond the seas would sever their connection. We must not be surprised at this conclusion of those who believe that the only rule of government is force. But German publicists have yet to learn that there is a greater force than force, and that the British Empire, resting upon the basis of freedom is more durable than the German Empire resting upon the basis of blood and iron. If anything could open their eyes, it would be the spectacle of British colonists from all over the world taking their places behind England in the struggle in which she is now engaged. Such a spectacle is well calculated to cause wonder and surprise to the apostles of German "Kultur" and to give hope and joy to those who believe that our system, for which men die, is not a system under which a man, no matter who he be, can say, "There is no will but my will, there is no law but my law—the law which I lay down." It is a system under which the law is laid down by the joint action of the King and the people—the law to which the King himself is subject as much as the lowest of his subjects. Such is the spectacle which has been presented to the world in this War, and it is in many respects a spectacle which gives us British subjects a just right to feel proud."

THE KAISER AND THE GENII.



Not exactly what he expected!

GOVERNMENT TRADE STATEMENTS

A Conservative Criticism.

MONTHLY statements of the trade of Canada are issued by the Department of Trade and Commerce; a Blue Book of returns for each fiscal year, containing all details, is issued yearly; in addition, it is the custom to issue some time in January or February of each year, a statement for publication which is designed to show trade returns for the calendar year. In pursuance of this custom, the usual statement for the calendar year 1914 was handed out from the department on the first day of February and the figures as vouched for by the department of which Sir George Eulas Foster is the titular and actual head, as Minister of Trade and Commerce, were published in good faith by the newspapers of Canada, from the Atlantic to the Pacific.

It was a Conservative newspaper, the *Ottawa Citizen*, which undertook to expose the true inwardness of these statements issued by the Department of Sir George Foster, and the criticisms of the *Citizen* require no elucidation. Under the heading "CANADIAN TRADE—ON PAPER," the *Citizen* said on February 3:

"It would indeed be a most delightful state of affairs if everybody could sit down and write out a check for a few million dollars whenever they needed it, and become comfortably wealthy thereby. But it cannot be done, and nobody would think of doing it excepting

"WELL, there is the inspiring 'monthly summary of the trade of Canada' issued by the department of Trade and Commerce. It sometimes conjures untold wealth, like Glendower's spirits, from the vasty deep. Then occasionally there will appear delightful statements in the press about the balance of trade. The nation is informed by Dominion decree that Canada is exporting more (paying out more,) and therefore that the balance of trade is more in Canada's favor.

"On Monday a statement issued to the press informed all and sundry that trade figures for the calendar year of 1914, though a little below those of 1913, were yet greater than the showing made in 1912. It is a fine thing to make a brave showing apparently, even if it is only on paper. One of the months last year is termed September. Among imports entered for consumption, according to the report of the department of Trade and Commerce, Canada imported coin and bullion to the extent of \$15,885,221.

"Usually Canadian imports of coin and bullion in a month are nearer the odd \$800,000 without the fifteen millions. The coin and bullion figures for September 1913, are \$204,762. The average over nine years is around about \$1,000,000. So the jump to \$15,885,221 for September 1914 would be a fine conjuring up of wealth . . . if, alas, it were not simply so much conjuring.

"It serves to keep trade figures high, in about the same way as a man might write himself out a check

for \$15,000,000 and register at the Chateau Laurier as a millionaire. The big bulk of coin and bullion brought into Canada last September does not belong to anyone in Canada, and might about as accurately be included in the total trade of Ottawa city as in the total trade of Canada. It is British gold, representing the trade of certain merchants in United States. It is simply stored temporarily in Ottawa for convenience at the request of the British Government. No doubt when it goes out again, at the request of the British government, it will be classed as Canadian exports; thus serving the happy purpose of swelling Canadian "trade" (on paper) twice over. But the balance of trade would seem to be a little bit off its balance in the juggle."

On February 4th, the *Citizen* went further in its criticism of this amazing "juggling of figures." Under the heading "Canada's Innocent Customs," it said:

"Sir George Foster must surely know better than to include the hundred odd million dollars of British coin and bullion, at present in Ottawa, as Canadian trade. In an official statement of Canada's trade for the calendar year of 1914, imports are stated to be \$614,183,898. But, of the total imports coin and bullion is \$132,864,585. Obviously such a sum has no business to be included as Canadian trade. It is such a palpable misrepresentation of the facts, or lack of proportion, one can only surmise that it is published without the sanction of the Minister of Trade and Commerce.

"The coin and bullion statement should be divided by ten, then it might begin to approximate the truth. For the year 1913 coin and bullion came into Canada to the extent of \$14,175,708; in 1912 the total was \$9,957,571. To pretend that Canadian commercial interests imported \$132,000,000 in coin and bullion last year may serve the useful purpose of cheering up despondent high-priests of protection. But it is hardly calculated to inspire confidence abroad in Canada's reputation for sound business principles.

"From a perusal of the inspired statements about Canada's trade, they would seem to bear the hallmark of the bounding customs department, though Sir George Foster allows the figures to go into the trade and commerce reports. Ever since the customs department issued its boast about the "bounding customs revenue" and about the "army of young men" appointed to collect it, the Canadian public has been treated to periodical entertaining statements of trade and taxes. The latest, innocently inserting a hundred million dollars of British trade into a Canadian statement, and claiming it to be Canadian trade, is the richest piece of figure juggling of all. Any company promoter issuing a private prospectus with such scant regard for accuracy would be liable to arrest almost, even in a Central American republic. It is time this country made an end of such innocent customs; certainly they could hardly come under the heading of British practice."

GOVERNMENT REMOUNT PURCHASES.

A Conservative Member's Warning.

RUMORS of graft and incompetence in connection with the purchase of horses for army remounts by the Federal government were brought to a head recently in a public statement at Toronto by a Conservative member of parliament. Speaking at a meeting of the Ontario Horse Breeders' Association on February 3, Mr. William Smith of Columbus, Ont., Conservative member for South Ontario, and himself one of the best known horse-breeders on the continent, charged flatly that men appointed by the Government as buyers are incompetent, that they have been appointed for political reasons, and that, as far as he could see, there was bound to be considerable graft in the business.

Purchasing agents "Can't Buy Horses"

As quoted in the *Toronto Telegram*, (Conservative), Mr. Smith said:

"Perhaps the course of the Government has not met with universal satisfaction, and no doubt there is good reason for this. What I am about to say, I say as a supporter of the Government, and with a due sense of the significance of my words. As far as I can see, gentlemen, there is going to be considerable graft in this business. I fear the tactics that we condemned in connection with the Boer war remount purchases are to be repeated. This should not be. The farmer should get the fair and full price for his horse."

Might Play Marbles.

"Men have been sent out to buy who might play a game of marbles, but who can't buy horses" went on Mr. Smith. "Of course, these men are there for political reasons, and that should not be. I want to repeat publicly what I have said many times privately. Some of the horses that I saw at Valcartier last fall were a disgrace to the parties who bought them and put them into service. After this war is over—it is far too serious a time at present—it would be well for the farmers of this country that they know more about the purchasing of remounts in this country. It is our duty as breeders to advise those in authority as to the best plan, whereby we may get the actual and full value for good horses."

Other newspaper reports of the meeting state that Mr. Smith's remarks were applauded by his fellow horse-breeders, men who are in a position to know the real meaning of every word uttered by the member for South Ontario.

Horses Purchased are Found Unfit.

The blunt statement of this Conservative member followed and lends color to many rumors and much gossip in the horse trade and in other circles. That there has been ground for the criticism heard of the Government's methods is quite well known. Hundreds of horses bought by duly accredited purchasing agents of the Government, have been found on military inspection to be utterly unfit for service. One special instance may be cited. During the

course of inspection of remounts at Toronto on January 13th, Sir Adam Beck, head of the Remount Commission, who had undertaken this special inspection as the result of complaints of officers of the mounted corps training at Toronto, threw out no less than thirty horses as totally unfit. The *Toronto News*, (Conservative), on January 14, reported the incident as follows:

"About thirty remounts were summarily rejected as totally unfit during Sir Adam Beck's horse inspection at camp yesterday. A far larger number will probably be turned down for smaller defects which also render them unfit for war service. Sir Adam, in company with Brigadier-General Hodgins, visited the camp yesterday to investigate the complaints made by the officers of the mounted units. The result of his visit is the appointment of Captain Campbell, chief veterinary officer, with absolute authority to accept or reject any animal when it arrives at camp. It is also very probable that a number of changes will be made in the staff of buyers for the remount commission, as Sir Adam now has definite knowledge that many of his subordinates are not living up to their orders."

SOUTHAMPTON RAILWAY CHARGES PROVEN.

THAT the Southampton Railway of New Brunswick received a double subsidy for 13 miles of railroad built in 1912 and 1913; that the subsidy amounted to \$81,280 when it should have amounted to only \$46,672, the railway company thus being overpaid \$34,607, is the finding of Mr. R. A. Pringle, K.C., Commissioner appointed by the Dominion Government last May to enquire into charges made by Mr. Frank B. Carvell, M.P., in the House of Commons. The report was tabled in the House on February 8, by the Minister of Railways, together with instructions from the Minister of Railways to the Department of Justice authorizing legal action to recover for the Federal Treasury the amount overpaid.

The Commissioner further found that the bonds of the road were guaranteed by the Province of New Brunswick to the extent of \$145,927, subject to a net discount of \$9,072. The total amount of public aid to the road was therefore \$227,207, whereas the actual cost of construction was only \$202,556. From these figures it will readily be seen that the railway company really received some \$20,000 more in public aid than the total cost of construction. The investigation finds that the Government's inspecting engineer accepted the figures of the railway company's engineer as to the cost, and that the Minister of Railways, following the usual custom, accepted the report of the departmental engineer and authorized the payment of the double subsidy of \$6,400 a mile on an alleged cost of \$22,954 per mile, whereas the actual cost was established to be only \$15,950 per mile. The charges of graft made in the House of Commons by Mr. Carvell are thus practically substantiated.

CANADA'S WAR BUDGET.

THE new War Budget announced in the House of Commons on February 11, by the Minister of Finance provides for a general increase of $7\frac{1}{2}$ per cent in customs duties of the intermediate class and 5 per cent in preferential duties. There are a few exemptions, notably of agricultural implements and such articles of household consumption as tea, cocoa, chocolate, sugar, wheat and wheat flour. In addition to the increase in customs duties, there is a series of special war taxes, the more important of which are noted in the subjoined summary.

Tariff Changes and Special Taxes.

A general tariff increase of $7\frac{1}{2}$ per cent intermediate and 5 per cent preferential with, however, a list of exemptions including tea, cocoa and chocolate, sugar, wheat and wheat flour, tobacco, books, newspapers and magazines, agricultural implements and other items.

Special war taxes including:

One per cent on bank note circulation.

One per cent on the gross income (Canadian) of trust and loan companies.

One per cent on the net premiums of insurance companies except life, fraternal and marine.

One per cent on telegraph and cable messages.

Ten cents for every \$5 on railroad and steamboat tickets.

Ten cents on sleeping car and 5 cents on parlor car tickets.

One to \$3 per passenger from steamboat companies carrying to ports other than in Canada, Newfoundland, the United States and the British West Indies.

Two cents on all bank checks, receipts and bills of exchange, express and post office orders.

One cent on postal notes.

One cent (war stamp) on each letter and post card.

One cent on patent medicines and perfumery for each ten cents of cost.

Five cents per pint on non-sparkling wines sold in Canada.

Twenty-five cents per pint on champagne and sparkling wines.

Specific duty of 6 cents, preferential, and 8 cents, intermediate, on iron ore.

Extra Revenue Not for War.

The statement of the Minister of Finance showed that there has been a falling off in imports of over one hundred million dollars in the past year, with the consequent falling off in revenue. The new taxes are not imposed for the purpose of paying directly for the assembling and equipping of Canadian troops for the War, nor for defence of Canada. They are to liquidate domestic expenditure and debts, in other words they are to pay the ordinary bills of the country, not its war bills. As pointed out elsewhere in this issue, the money to cover Canada's war expenditures is coming from England, and apparently will continue to come from England.

The shortage in the revenues of the country, as compared with the estimated necessary expenditure, is figured by the Minister of Finance at about thirty millions. The special war taxes imposed he estimates will yield about eight millions. The general increase in the Customs duties he expects to yield "between twenty and twenty-five millions." This latter is dependent, of course, on the volume of imports being maintained at something like their present level. Any further serious drop in the volume of imports might considerably effect the Minister's expectations of the amount of revenue to be realized.

Hon. Mr. White estimates the total expenditures during the coming year at over \$300,000,000, including the estimated war expenditure of \$100,000,000. He proposes to borrow the whole of the latter amount. On the present basis the revenue would yield only about \$120,000,000. From this it is apparent that the new tariff and special taxes will meet only part of the deficit.

The tariff changes went into effect immediately on announcement. Several of the special taxes, notably those on wines, patent medicines, are already in effect, the stamps used being the ordinary stamps with the words "War Tax" printed on them.

DISMISSALS AND APPOINTMENTS.

RETURNS tabled in the House of Commons on February 12, giving statistics as to dismissals and appointments in the civil service since the present Government came into power in 1911 makes almost incredible reading, and throws into vivid light the extent to which the party axe has been wielded and how the influence of patronage has been invoked under the Conservative administration. The return is admittedly not complete and was made up from the different departments at varying dates in the spring of 1914, yet it shows a record of no less than 2,115 dismissals while the new appointments are shown to make the enormous total of 10,576.

In the Department of Agriculture there were 45 dismissals and 579 new men engaged; in the Customs, 271 dismissed and 1,649 engaged; in the Department of Indian Affairs, 135 dismissed and 295 engaged; in the Department of Inland Revenue, 73 dismissed and 291 engaged; in the Interior Department, 309 dismissed and 1,651 engaged; in the Immigration Department, 110 dismissed and 343 engaged; in the Department of Justice, 20 dismissed and 258 engaged; in the Labor Department, 21 dismissed and 60 engaged; in the Public Works Department, 511 dismissed and 2,002 engaged; in the State Department, 20 dismissed and 287 engaged; in the Department of Railways, 363 dismissed and 2,076 engaged; in the Department of Mines, 1 dismissed and 103 engaged; in the Department of Trade and Commerce, 13 dismissed and 49 engaged; in the Royal Northwest Mounted Police, 124 dismissed and 527 engaged.

GENERAL NOTES OF THE MONTH.

London Supplies War Funds.

THE announcement of the new War Budget, with its increase in general Customs tariffs and its special War taxes lends special interest to the authoritative statement made by Sir Byron Walker, president of the Canadian Bank of Commerce, at the recent annual meeting of the shareholders of the bank:

"The cost of the War to Canada is already arranged for in London, so that no money is being withdrawn from Canadian money markets on that account, and to the extent of sixty per cent, representing that part of the War expenditure which is paid out in Canada, we obtain money in London from which debts abroad can be paid."

The *Toronto Weekly Sun*, (Independent), commenting on this interesting bit of information, says:

"The arrangement spoken of is with the British Chancellor of the Exchequer, and as already announced, these advances are to be repaid at the close of the War by an issue of Canadian bonds. We had gathered from such meagre public statements as had appeared that the British Chancellor was advancing to Canada no more than her outlay in Europe for army maintenance and the purchase of war material there. From the statement quoted, which is, it is assumed, authoritative, the British Chancellor is financing for the present the whole cost of Canada's participation in the War."

Australia's Home-built Navy.

The Commonwealth of Australis is proceeding successfully and energetically with the building of her own navy, the existing units of which have done such signal service in the cause of the Empire since the War commenced. In the month of December a torpedo-boat destroyer was launched from the Government drydock at Sydney, being the first warship to be built entirely in Australia. This first destroyer is to be followed quickly by two other similar vessels, and by the cruiser *Brisbane*, the latter a sister ship to the cruiser *Sydney* which ran down and destroyed the German raider *Emden*. The *Brisbane* will be launched this year, and unless the War ends sooner than many experts think likely, may see active service in the present combat.

Votes for Soldiers?

As recently intimated in several Conservative newspapers, the Government is considering an arrangement whereby Canadian soldiers on active service in Europe may be allowed to vote should an election occur while they are out of the country. Notice has been given of the introduction of a bill to this effect. On the face of it, the proposal seems almost unworkable. Conservative papers explain that the ballot would need to be a general one, allowing the soldier to vote for the government, the opposition or independent candidate, if any, and not necessarily bearing the names of the candidates.

Lemieux Act Effective as Ever.

A report on the operation of the Industrial Disputes Act in the last fiscal year is summarized by the *Montreal Gazette*, showing that in all the nineteen cases in which the act was invoked, strikes were averted. The number of men involved was 50,876. During the same period, in cases outside the act, or in which the opportunities for settlement offered by the act were not taken advantage of, there were 113 strikes, affecting 39,536 workers who thereby lost a total earning time of 1,287,678 days.

Grain Growers Protest Protection.

Delegates to the convention of the Saskatchewan Grain Growers' Association at Regina took prompt action on the announcement of the new war budget. A resolution, passed unanimously, declared "willingness to bear the just proportion of the taxation necessary to meet war expenditures but we wish to emphatically protest against the protective element in the taxation now proposed, and especially the increase in the tariff on goods imported from the Mother Country." The secretary was instructed to communicate to Premier Borden the opinion of the convention, particularly in regard to the duty on corn.

Alberta Farmers Want Free Trade.

A resolution requesting the Dominion Government to abolish the customs tariff between Great Britain and Canada so as to give the same free entry to British goods coming to Canada as Canadian goods have in going into Great Britain, was adopted by a practically unanimous vote at the convention of the United Farmers of Alberta at Edmonton on January 20th. Speeches favoring reciprocity with the United States and wider markets generally were received with unanimous approbation, giving unmistakable evidence of the sentiment of the farmers of the province.

Canadian Penitentiaries.

That there has been no improvement in conditions in Canadian penitentiaries in spite of the investigation held a year ago, for which he was primarily responsible, is the charge of Dr. J. W. Edwards, Conservative member of parliament for Frontenac. In a recent letter to the *Kingston Daily Standard* (Conservative), he strongly condemned the delay and declared that "a long chain of facts forces him to the regrettable conclusion that the Minister of Justice has never been very keen to get at the facts and redress existing grievances and wrongs." In the House of Commons, in speaking to the Bickerdike bill for the abolition of capital punishment, he went even further when he declared that there was a worse thing than hanging, meaning incarceration in some Canadian penitentiaries, under existing conditions.

THE BOOT SCANDAL.

THE public scandal in connection with the boots supplied to Canadian soldiers developed to such an extent during the month previous to the opening of Parliament that it was the subject of several public utterances on the part of the Minister of Militia and announcements from the Militia department were eagerly sought and discussed by newspapers on both sides of politics.

The outstanding facts were the admissions by Major General Hughes that the boots had not been satisfactory and his announcements that he would make a full investigation and take steps to punish the parties responsible; also the news from England that the Canadian troops had been ordered to discard their Canadian made boots, which have been replaced by British made service boots.

Canadian Boots Discarded.

On January 14, cables from London to several Canadian papers announced that the Canadians at Salisbury Plains were to discard their Canadian made boots which "had been declared too light and not waterproof." On the following day the *Montreal Gazette* published an announcement from the Militia department that the new boots to be made in Canada, presumably to fill the further requirements of the troops still in Canada, "will combine the best points of the French and British service patterns" and that a special sub-committee had been appointed to investigate the question in detail, with Mr. George Slater of Montreal as technical adviser. On January 21, Ottawa press despatches announced that orders for 150,000 pairs of the new model were to be placed at once.

Major General Hughes' Admissions.

It was at Calgary, Alta., on January 20, addressing a public meeting after his inspection of the troops at that point, that Major General, Hon. Sam Hughes made his first public admission regarding the boots. He was reported by the Calgary papers as having said:

"I am sorry to say that some of the last issue of boots were not as good as they might have been. Leave it to us that we will get after the fellows who did not do their duty."

At Vancouver, on January 22, in an address before the Canadian Club, the Minister of Militia was reported as saying that "most of the government contractors were square with the government, but there were some who wanted 150% profit, though the number was small, and if martial law ever gave him the power he would be pleased to shoot such contractors, who, he said, were a greater enemy to the soldier than were a hundred Germans."

Returned to Ottawa, the Minister of Militia spoke again of the samples of bad boots he had brought back with him and stated that he had immediately given orders to the legal head of his department to take action against the proper persons.

Contractors Blame Government.

In all the statements coming from the Minister of Militia or from the officers of his department, it was made to appear that the contractors alone were at fault. To this the manufacturers generally have taken decided objection and declare that the chief

fault lies with the Government in ordering boots on specifications that were faulty.

Thus, the *Shoe and Leather Journal*, in an article in its January number referred to by Sir Wilfrid Laurier in the Commons, declared that "the specifications are not generally thought to be those for the 'fighting shoe', and in the same issue published a long interview with W. V. Matthews of Ames, Holden, McCready, Limited, of Montreal, defending the manufacturers and pointing out the unfitness of the shoes and the great difference in the weight of the Canadian shoe compared with British army boots. Later on, on February 1, the *Montreal Star* (Conservative) said that "for any fault in Canadian military boots local shoe manufacturers place the blame on the specifications issued by the Government and not on the workmanship."

Knew Boots were Unsuitable.

Ames, Holden, McCready, Limited, were quoted as saying that they knew the shoe worn by the first Canadian contingent was entirely different from that worn by the British army. Corbeil, Limited, who had not made any of the army shoes, was quoted as saying that the shoes made in Canada were not suitable for the purpose of the War, but this was not the fault of the manufacturers who followed specifications. Alf. Lambert, Inc., was quoted as saying "I do know this, that the shoe specified was entirely too light for men on active service." Theo. Galipeau, of the firm of Dufresne and Galipeau, one of the members of the committee appointed by the government to investigate the complaints regarding the boots, was quoted as saying that "undoubtedly the boots supplied to the first contingent were too light." Joseph Daoust of Daoust, Lalonde & Co., declared that the leather specified was altogether too light, and added, "They were all very well for riding, or for parading on the Champ de Mars, but they were not fit for anything else."

"A Criminal Outrage," says Star.

In the same issue, the *Montreal Star* treated the matter editorially and called upon the government for a thorough investigation. After making allowance for the suddenness of the demand and the consequent strain on Government departments in equipping the troops, the *Star* proceeds:

"But some one, in this case of the shoes, has been guilty, apparently, of a blunder so fatal as to constitute a crime; and Parliament should be 'fearless and fair' in forcing a full and searching enquiry into the whole business. There ought to have been boot experts somewhere along the line, from Government to contractor, who would know what the British army boot was like—and why. They ought to have known that it would have been little short of murder to send our lads into the trenches for a winter campaign in Flanders with footwear that 'soaked up the water like blotting paper.' Fortunately the vigilance of the British Government prevented this supreme catastrophe; but how many deaths on Salisbury Plain from meningitis and pneumonia have been due to this terrifying and amazing foot fiasco?"

UNAUTHORIZED LOANS TO RAILWAYS.

THE annual report of the Auditor General of Canada, tabled in the House of Commons on February 9, throws a certain amount of light upon illegal issue of notes which the Government monthly statements indicated. The report shows that the Auditor General has protested against an advance, without lawful authority, of ten million dollars to the Canadian Northern Railway Company and a similar advance of six million dollars to the Grand Trunk Pacific Railway. Both advances are spoken of as loans, and in the case of the Canadian Northern the loan is secured by a pledge of securities forming part of the \$45,000,000 of debentures guaranteed by the Government at the last session. The first advance to the Canadian Northern amounted to \$2,500,000 and an order-in-council authorizing it was passed on September 9. According to the report of the Auditor General, further orders-in-council were issued bringing the total to \$10,000,000. Some similar action was taken in the case of the Grand Trunk Pacific. The advances to the railway companies were made from an issue of Dominion notes placed to the credit of the Minister of Finance in two chartered banks, and the Auditor General finds fault with the fact that they were not placed to the credit of the consolidated revenue fund, as required by the Dominion Act. Therefore, in a letter to the Finance Department on September 22 last, he said:

"In my opinion the Government has no legal authority for making these loans, and therefore I cannot sign the certificate."

As already intimated by the Minister of Finance, these advances to the railway companies, which at the time the Auditor General's report was written amounted to \$16,000,000, will have to be legalized by special legislation at this session.

Militia Minister's 1913 Trip.

The report also draws attention to the fact that the Auditor-General objected to the payment of \$24,620 in connection with the trip of the Minister of Militia with Canadian officers to the military manoeuvres in England in 1913. The Department of Militia wanted this amount charged up to annual drill, but the Auditor-General objected that it was not a proper charge against that appropriation. The Treasury Board sustained his objection, and the amount now appears in the balance-sheet of the public accounts as a liability against the Department of Militia and Defence.

DIARY OF THE MONTH.

1915.
January.
- 1 HON. G. H. FERGUSON, Minister of Mines, (Grenville) and HON. THOS. MCGARRY, Provincial Treasurer (South Renfrew), new members of Ontario Provincial Cabinet, ELECTED BY ACCLAMATION.
 - 7 S. FRANK SMITH, (Gov.), elected over R. L. Simms in PROVINCIAL BY-ELECTION in CARLETON COUNTY, New Brunswick, caused by resignation of former Premier Flemming.
 - 7 HANTS COUNTY, (N.S.) CONSERVATIVES in annual meeting, endorse present member, H. B. TREMAIN, M.P.
 - 9 HON. GEO. A. CLARE, M.P. (South Waterloo) died at Galt, Ont.
 - 11 NORTH GREY (Ont.) CONSERVATIVES in annual meeting at Owen Sound.
 - 11 GLENGARRY (Ont.) LIBERALS in convention at Cornwall, nominate JOHN McMARTIN of Cornwall.
 - 12 WEST EDMONTON (Alta.) CONSERVATIVES in convention at Edmonton, nominate COL. W. A. GRIESBACH.
 - 12 NORTH ONTARIO (Ont.) LIBERALS in convention at Beaverton, nominate FRED HOGG of Uxbridge.
 - 13 LETHBRIDGE (Alta.) LIBERALS in convention at Lethbridge nominate the sitting member, W. A. BUCHANAN, M.P.
 - 14 MacLEOD (Alta.) LIBERALS in convention at MacLeod, nominate the sitting member, DR. D. E. WARNOCK.
 - 14 SALT COATS (Sask.) CONSERVATIVES, in convention at Melville, nominate RUFUS McNICHOL.
 - 15 PRINCE ALBERT (Sask.) CONSERVATIVES in convention at Prince Albert, nominate S. J. DONALDSON, M.L.A., for Shellbrook, for BY-ELECTION caused by elevation of James McKay to Supreme Court bench.
 - 15 NORTH WELLINGTON (Ont.) CONSERVATIVES in convention at Arthur, nominate sitting member, W. A. CLARKE, M.P.
 - 15 VICTORIA (B.C.) LIBERALS in ANNUAL MEETING, election of officers, etc.
 - 15 LONDON (Ont.) CONSERVATIVES in convention at London, nominate WILLIAM GRAY for BY-ELECTION caused by death of Major Thomas Beattie, M.P.
 - 16 TORONTO CENTRAL CONSERVATIVE ASSOCIATION in annual meeting.
 - 19 INVERNESS (N.S.) CONSERVATIVES, annual meeting at Port Hood.
 - 19 HUNTINGDON COUNTY (Que.) LIBERAL ASSOCIATION, annual meeting at Huntingdon.
 - 20 MEDICINE HAT (Alta.) LIBERALS in convention at Medicine Hat, nominate DR. OLIVER BOYD.
 - 20 LIBERAL MEETING at WATERFORD (N.S.) addressed by G. W. KYTE, M.P. (Richmond), W. F. CARROLL, M.P. (Cape Breton South), and D. D. MCKENZIE, M.P., (Cape Breton North).
 - 20 JACQUES CARTIER (Que.) CONSERVATIVES in convention at Montreal nominate J. A. DESCARRIES, K.C. for BY-ELECTION caused by death of Hon. F. D. Monk.
 - 21 TERREBONNE (Que.) CONSERVATIVES in convention at St. Jerome, nominate G. ROCHON for BY-ELECTION caused by appointment of Hon. Bruno Nantel to Railway Commission.
 - 21 BRITISH COLUMBIA LEGISLATURE opens at Victoria.
 - 22 STRATHCONA (Alta.) LIBERALS in convention at Westaskiwin, nominate the sitting member, J. M. DOUGLAS, M.P.
 - 22 DIGBY (N.S.) CONSERVATIVES in annual meeting, endorse CLARENCE JAMESON, M.P.
 - 22 NOVA SCOTIA PROVINCIAL LIBERAL ASSOCIATION in annual meeting at Halifax, passed resolution APPROVING ACTION OF SIR WILFRID LAURIER in pledging support of Liberal party to war measures.
 - 22 YARMOUTH COUNTY (N.S.) CONSERVATIVES in annual meeting at Yarmouth.
 - 25 LUNENBURG (N.S.) LIBERALS in convention at Mahone Bay, nominate WILLIAM DUFF.
 - 26 SASKATOON (Sask.) CONSERVATIVES in convention at Saskatoon, nominate DONALD MacLEAN.
 - 26 DIGBY and ANNAPOLIS (N.S.) LIBERALS in convention at Annapolis Royal, nominate DR. L. J. LOVETT of Bear River to contest new Constituency.
 - 26 QUEEN'S COUNTY (P.E.I.) CONSERVATIVES, in special meeting at Charlottetown, elected officers, etc. Deferred nomination of Federal candidate "until the number of members we are to have at Ottawa is settled."
 - 27 SOUTH WATERLOO (Ont.) CONSERVATIVES in convention at Preston, nominate F. STEWART SCOTT for BY-ELECTION caused by death of Hon. G. A. Clare, M.P.
 - 27 BATTLE RIVER (Alta.) CONSERVATIVES, in convention at Edmonton, nominate S. J. BLAIR of Provost. Major-General, Hon. Sam Hughes visited the convention.
 - 28 BOW RIVER (Alta.) LIBERALS in convention at Calgary, nominate GEORGE LANE of Calgary.
 - 28 PICTOU (N.S.) CONSERVATIVES, in convention at Westville, nominate ALEX. MCGREGOR of New Glasgow.
 - 29 EDMONTON (Alta.) LIBERALS in convention at Edmonton, nominate the sitting member, HON. FRANK OLIVER.
 - 30 CARLETON (Ont.) CONSERVATIVES, annual meeting at Stittsville.
 - 30 WEST NORTHUMBERLAND (Ont.) CONSERVATIVES, annual meeting at Cobourg.
 - 30 NORFOLK (Ont.) CONSERVATIVES, annual meeting at Simcoe.
 - 31 PRINCE EDWARD (Ont.) CONSERVATIVES, annual meeting at Bloomfield.

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