

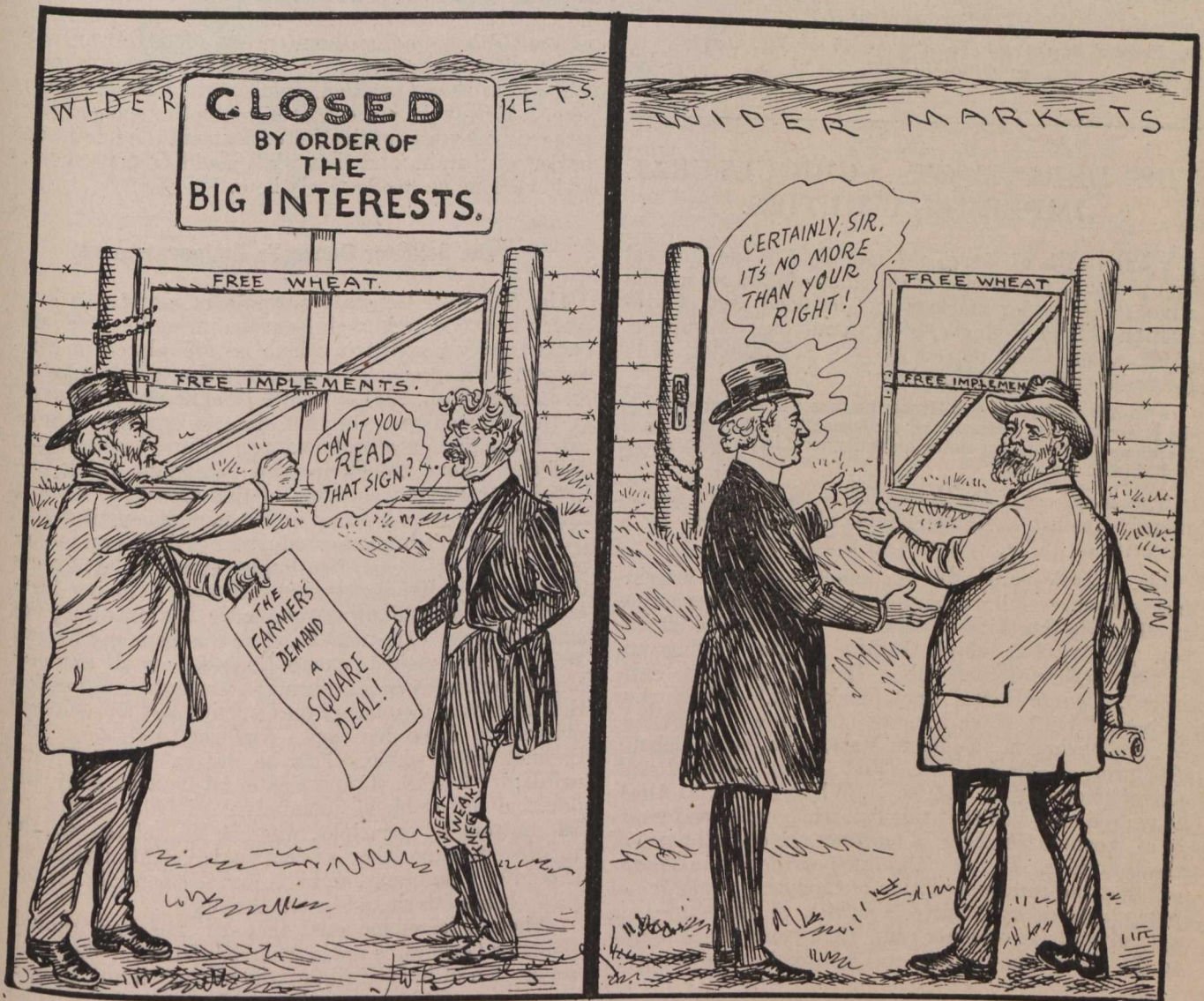
# THE CANADIAN LIBERAL MONTHLY

Vol. 1. No. 8

OTTAWA, APRIL 1914

Ten Cents

## THE TWO POLICIES



THE TORY POLICY.

THE LIBERAL POLICY.

On January 28th, Liberals in the House of Commons voted unanimously in favour of the removal of duties on wheat and wheat products, that Canada might secure access to the United States' markets for these commodities. The Conservative party voted down this resolution.

On March 11th, Liberals voted unanimously in favour of the abolition of duties on agricultural implements. The Conservative party voted down this resolution also.

Every debate in the House of Commons serves to bring out more clearly the line of cleavage between the two parties and the nature of their support. It is a case of the common people versus selfish interests. The Government's proposals as outlined in the Budget speech of the Finance Minister on April 6th, emphasizes this difference.

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## THE DEBATE ON AGRICULTURAL IMPLEMENT DUTIES.

ON the 11th of March the members of the Liberal party in the House of Commons following up the advocacy of wider markets and lessened cost of production of food products voted unanimously in support of an amendment moved by W. E. Knowles, M.P. (Moosejaw) setting forth that

**"In the opinion of this House the time has arrived when, in the interests of the farmers, and consequently in the interests of the whole of Canada, the duties on agricultural implements should be forthwith removed."**

The members of the Conservative party voted unanimously against the amendment which was lost by a majority of 38, on a vote of 44 to 82.

Mr. Knowles supported his amendment in a convincing speech, which was supplemented by able speeches by the following Liberal members: Messrs. Levi Thomson (Qu'Appelle), Hugh Guthrie (South Wellington), D. B. Neeley, (Humboldt), Thomas MacNutt (Saltcoats), George E. McCraney (Saskatoon), J. J. Hughes (Kings. P.E.I.), Roch Lanctot (Laprairie Napierville), W. A. Buchanan (Medicine Hat), Hon. H. S. Beland, (Beauce), Michael Clark (Red Deer), Hon. Frank Oliver (Edmonton) and W. H. White (Victoria, Alta). It will be observed that this list, while composed mostly of Western members, is representative of all parts of the Dominion. It was maintained by the several speakers that the rural population of Canada irrespective of party or locality wanted abolition of the duties on agricultural implements, and that from the Atlantic to the Pacific the demand was as broad as the country.

### Liberal and Conservative Attitudes.

The Liberal attitude could not be better expressed than as summarized by Dr. Clark in the course of the debate. "We are" he said, "as one man in desiring larger markets for the produce of the farmers. We are as one man in desiring absolute freedom for production of the implements with which the produce is raised. It is not a policy for the West, the East or the middle. It is a policy for the whole of Canada. It is not a Western question only, it is a national policy."

In striking contrast to the united advocacy of the Liberals was the all but unbroken silence of the government Benches, and the total silence of the entire Conservative following in the House. The Premier, Mr. Borden and the Solicitor General, Mr. Meighen, were the only persons on the Conservative side who rose in their seats to speak, and neither had a word to say in favour of either reduction or abolition. Mr. Borden requested his followers to vote against the amendment as being equivalent to a vote of want of confidence in the government. At the same time, he intimated that he was opposed to the abolition of duties advocated by throwing out the suggestion that abolition of duties might result in Canada being brought under the control of some International Implement Trust. It required little more than a sentence to effectively answer this specious argument of the Prime Minister. It was pointed out that Canadian Implement Manufacturers were, in fact, at the present time, competing successfully with existing trusts of the United States in the free trade market of Britain, and that what could be done there, could be done more effectively here.

### The Solicitor General's Embarrassment.

The Solicitor General's purpose in rising was evidently to extricate himself from the uncomfortable and embarrassing position in which he was placed in consequence of a speech delivered in the House of Commons on January 18th, 1911, at which time he was a member of the Opposition. On that date he strongly advocated a reduction of duty on agricultural implements, and throughout the Reciprocity campaign which followed, advantage was taken of this speech, to have it appear that this advocacy in Parliament constituted a pledge for a much greater reduction of duties on implements; that it meant free implements for the farmers if the Conservative party were returned. Having been confronted with his own arguments, but unwilling because of party exigencies to advocate them any longer, Mr. Meighen sought to excuse himself from all expression of opinion by endeavouring to convey the impression that he was a member of the Cabinet, and as such was obliged to have his views conform to those of the Cabinet as a whole. This he did in the following words: "I think I appreciate fairly accurately the doctrine of Cabinet unanimity. I believe that on all matters of principle, whether as relates to the tariff or to any other subject, it is essential that we should be unanimous, and it is just as essential that the party behind us should be unanimous."

When it is remembered that Mr. Meighen, though Solicitor General, is not a member of the Cabinet, this separation of himself from "the party behind" though ingenious, will appear to have been somewhat premature. What is more to the point, however, is that in talking of principles, Mr. Meighen seems to have lost sight of the first of all principles that should guide a representative in Parliament, and which is that a man owes it not less to himself than to his constituents to regard his own convictions and their needs before all considerations of party, and that the one great privilege Parliament affords a public man is to advocate on every opportune occasion, and sometimes at the sacrifice of position itself, a policy which he believes and knows to be in the public interest.

## THE BORDEN CABINET.—VII. THE MINISTER OF AGRICULTURE.

by H. F. Gadsby.



Hon. Martin Burrell

MARTIN Burrell, with the accent on the burr, finds the portfolio of agriculture a better job to stick at than fruit farming in British Columbia. He is a song-and-dance farmer, two ten minute turns a day, but nothing in the nature of sustained performance. He goes in for the fancy touches. He knows as much about practical farming of the shirt sleeves and sweat variety and has as little sympathy with it as his colleague the Minister of Labor has with carrying the hod or the doctrines of Henry George.

The field the Minister of Agriculture tills best is the social one. Life for him is one long round of boiled shirts, swallow-tail coats and white kid gloves. His best work is done between eight o'clock in the evening and four o'clock the next morning. Night shifts and union hours are nothing to him when he is following his favorite occupation. His eyes shine brightest after midnight. He dances all the extras and asks for more. He stays up as long as the band plays and the leader of the orchestra will do almost anything for him as a real lover of terpsichorean music. He has learned all the new steps, and no Conservative cabinet minister in the Ottawa Valley excels him in treading the grape vine, the dip, and other dainty measures. As an amateur farmer he is particularly interested in the Cochon China Glide and the

Turkey Trot and many a stormy winter night he spends cosily in the Chateau Laurier ball room raising poultry just that way. This robs labor of half its terrors by depriving it of all its grossness.

Martin Burrell has the butterfly beaten forty ways from the jack. The butterfly is seldom out after six p.m., but the Minister of Agriculture just begins to wake up at that witching hour. The butterfly confines his gaiety to summer but all the seasons fall in with Martin Burrell's whirl of pleasure.

Not only does curfew refuse to ring at night for Martin Burrell but school doesn't keep during the day. Garden parties, pink teas, golf, billiards, tennis racquets, Omar Khayam under neath the bough and other manly sports take up his time. He has considerable skill at billiards which is a very handy accomplishment when a Government is as near the cushion as the one of which Mr. Burrell is a member. He is strong on golf and can do the club veranda in as few high balls as most of them.

Mr. Burrell is the most expert pink-tear in the nine provinces. It is a sheer delight to watch him balance a cup and saucer in one hand and pass out a line of small talk with the other, showing as it does an amount of poise, a balance of forces, a stable equilibrium which is rare in the Borden cabinet. He also takes a great interest in art and nothing pleases him so much as to stand before a reproduction of Millet's Angelus and see the people pausing for one sacred moment for their hard work on the farm. That's about as near farm-work as the Minister of Agriculture likes to get. His aesthetic nature prevents him from viewing it at any other, closer angle. Like the old maid who was once kissed, he loves to talk about it but it goes no further than that.

On the whole Mr. Burrell is as happy and carefree as a comic opera villager. He never allows business to interfere with pleasure. When he is asked a question in the House he takes weeks to answer it, his course in this respect being a close copy of his favorite dance, the Hesitation Waltz. When he came into the Department of Agriculture he frankly confessed that he found it so

well organized by Sydney Fisher that there was nothing left for him to do but let well enough alone. Then he borrowed from the Liberal party the brains of C. C. James and washed his hands of the hard work.

One or two little flaws in his character we are bound to acknowledge. He loves to advertise himself. He advertises in the Agricultural Gazette which seems to be run for that special purpose. He also advertises on the Agronomy building at the Ontario Agricultural College, a building erected by the Ontario Government but opened, according to the stone tablet over the door "by the Hon. Martin Burrell, Minister of Agriculture for Canada." So that of \$196,000 given by the Federal Government to aid agriculture in Ontario, \$51,500 of it goes for a monument to Martin Burrell. Another little fault is his habit of siding with the manufacturers and transportation companies against the farming class which he is supposed to represent, as he did when he helped to vote down Dr. Neely's motion for a wider market in wheat, and Mr. Knowles' motion for a reduced duty on agricultural implements. On the principle, perhaps, that a high church curate makes a good chief of police, Mr. Burrell has appointed an expert chemist as Assistant Director of his Experimental Farm System, thus proving himself a good friend to Mr. Frank T. Shutt, but an indifferent agriculturist.

His experiments with experimental farms spell more profit to Mr. Burrell's party friends than they do to Mr. Burrell's reputation as Minister of Agriculture. In New Brunswick he turned down a Grit farm which had been under consideration and purchased a Tory one instead, paying \$13,000 for what would have been dear at a thousand. One of the first trips the Minister of Agriculture made was to Grosse Isle to see how he could spend money on new quarantine buildings there. He did not even look at the splendid experimental farm established by Mr. Fisher near Quebec but spent his time on the Grosse Isle job. A Minister of Agriculture whose first love is quarantine stations is not much of a farmer.

## HON. WILLIAM PATERSON.

**HONOURABLE** William Paterson whose death occurred at Picton, Ontario on the 18th of March had a Parliamentary experience paralleled by but few public men in the history of the Dominion. For an unbroken interval of 42 years he was a member of the House of Commons; and for 15 years of that time, as Minister of Customs in the Laurier Administration, a member of the Canadian Cabinet.

Born at Hamilton, Ontario, on September 10th, 1839, Mr. Paterson was in his 75th year at the time of his death. Left penniless and an orphan at the age of ten, he revealed in youth a finer inheritance than that of wealth or position. Beginning as a clerk in a village store, he rose by industry and frugality to be a manufacturer of importance, and the head of one of the leading industrial establishments of Canada. His integrity and public spirit inspired the confidence which made him at an early age successively the Deputy Reeve and Mayor of Brantford, the city of his adoption, and, then, member for the County of Brant, with which County, save for the years 1896-1900 when he represented North Grey, he was identified during the whole of his public career.

Mr. Paterson entered Parliament in 1872, at which time he defeated Sir Francis Hincks, and was during the years of Liberal Opposition which followed the defeat of the Mackenzie Administration, an untiring advocate of the principles of Liberalism in the House of Commons and in the country. To his splendid oratorical gifts and forceful presentation of public issues, the Liberal party owed not a little of the success it achieved at the polls. This was particularly true of the campaign of 1896 when the Conservative party was defeated and the Liberals triumphantly returned.

As Minister of Customs, Mr. Paterson's well known integrity contributed to the confidence which the Laurier Administration so long enjoyed. He was a careful administrator and had an intimate knowledge of all that pertained to his own Department. In the preparation of the tariff of 1897 and its various revisions he had much to do. Believing more strongly than some of his colleagues

in the merits of a protective tariff, he was generally regarded as a link between the men of extreme views on trade matters. His last public service was that of assisting his colleague, Mr. Fielding, in the negotiation of the reciprocity agreement with the Taft administration prior to the elections of 1911.

It remains to be seen if History will not yet vindicate the wisdom of this important international transaction. Time appears to be fast justifying the judgment which underlay its terms. But of William Paterson it may be said that it was not so much by what he did as by what he was that he will be remembered. Kindly and unostentatious in disposition, democratic in sympathy, a lover of peace and concord, upright and unimpeachable in character, fearless and forceful in the advocacy of the principles in which he believed, his Liberalism, was an expression of the man himself. His name will require no defenders, and the country to which he gave the most of his life, will cherish and revere his memory.

## NEW LIBERAL SENATE LEADER.

**HON. HEWITT BOSTOCK**, Senatorial representative for Kamloops, B.C., was unanimously chosen on March 18th by the Liberal members of the Senate to succeed the late Sir George Ross as Liberal Leader in the Upper House.

The selection of Senator Bostock, to fill this position of responsibility and honour is both popular and fitting. An able debater, a well informed student of all public questions, a clear thinker and a man of high ideals of public service, he is well equipped for the duties of able and successful leadership. He has the essential qualities of firmness, tact, honesty of purpose and breadth of vision.

Senator Bostock's public career both as a member of the House of Commons to which he was elected for Yale-Cariboo in 1896 and as a member of the Senate to which he was appointed in 1904 has been in keeping with the best traditions of Parliamentary service, and as the Leader of the Liberal party in the Senate he may be expected to maintain with advantage to the party and distinction to himself, the high and honourable position of his predecessors in this office.

## TAXATION AND THE NAVY.

**T**HE Liberal party in Canada has reason to thank Hon. Winston Churchill for making plain the motive of the policy of centralization which, under the guise of an "emergency contribution", Mr. Borden and his followers endeavoured to further in the Naval Aid Bill with its contribution of \$35,000,000 for the construction of three Dreadnoughts to constitute part of an Imperial squadron, and which Mr. Borden professes is still the policy of his party.

Speaking in the House of Commons on the British Naval Estimates on March 17th, Mr. Churchill made it plain that it is to relieve the British public of a part of its taxation by shifting the burden to Canada, rather than any special need for increased naval armaments, which lies at the root of this policy. Referring to Canada he said:

"If she were annexed to the United States of America she would no doubt contribute taxation to the up-keep of the United States navy. If she were independent she would no doubt have to make provision at least equal to that which is made by the most powerful of the South American States. Her destiny is in her own hands. I do not wonder that Canadians of every party feel that it is not in accordance with the dignity and status of the Dominion to depend entirely upon the exertions of British tax payers, many of whom are much less well off than the average Canadian."

Elsewhere he says:

"Should any further delay take place on the part of Canada the position in the Mediterranean will, as far as we now see, be maintained by the acceleration of only one ship. There are, however, prospects that the unfortunate deadlock which has arisen in Canada upon the Naval question will be relieved and that in one way or another, or by one party or the other, or best of all by the joint action of both parties, Canada will be able to take some share in her own Naval defence and in the defence of the Empire."

The Liberal party in Canada will have no quarrel with Mr. Churchill or Mr. Borden so long as there is no deception as to the purposes of taxation on naval equipment, and so long as the Canadian people who are to pay the taxes are given opportunity of saying whether, at this period in the development of British institutions, they prefer, as an exception in matters of Naval defence, taxation without representation, or the control of their own expenditures.

## ABOLITION OF DUTIES ON AGRICULTURAL IMPLEMENTS.

### Liberals advocate Exemption from Taxation of Instruments of Production.

*(To be supplemented in the May number by an article referring more particularly to existing duties and their effect.)*

THE reasons for the abolition of duties on agricultural implements as presented to Parliament by the Liberal members on March 11, would appear to be both logical and convincing. Regard being had to national considerations solely, and viewed free from prejudice of party, or selfish business interest, the argument cannot receive too careful consideration.

Agriculture is the basic industry of Canada. It is upon the growth and development of the agricultural industry that the development and expansion of other industries and trades, and the progress and prosperity of towns and cities depend. Notwithstanding that urban development has been rapid, and that commerce has made gigantic strides, there is still a larger percentage of the total population of Canada engaged in agricultural pursuits than in all other occupations and callings combined. Estimates vary as to the proportion, but that between fifty-five and sixty-five per cent. of the total population of the Dominion is engaged directly or indirectly in agriculture is well within the mark. The future destiny of Canada as a great and prosperous nation depends upon the continued development of its agricultural possibilities. In the soil lies the latent wealth upon which the export trade and the commerce of Canada depends. From the soil is extracted the natural produce, which provides the purchasing power that creates the demand for manufactured goods, and leads to diversified industry. Through the soil are grown the products necessary to the maintenance of life and the sustenance of all provided. If agriculture flourishes, all industry and all classes in the community must prosper thereby. If agriculture languishes, or if in Canada where it is a natural industry, other industries which are secondary and artificial are fostered at its expense, the whole nation must suffer as a consequence. The cost of living in the cities and the country, the standard of comfort of every class of persons in the community depends, in Canada, on keeping the people in as large numbers as possible upon the land, and preventing by natural methods and agencies the development of urban at the expense of rural life.

#### Abolition of Implement Duties a National Policy.

The one means by which to effect this is to make agriculture attractive and profitable. It can be such only where the returns are sufficient to induce the people to remain upon the land, and to be content in so remaining, and returns are dependent on two considerations,—available markets and the cost of production. In the cost of production there are two main factors, the price of labour and the cost of the instruments of production, the machines and the tools with which labour works in its endeavour to gain from the soil its latent wealth. With all three—markets, labour, and instruments of production—it is the duty of government to concern itself. The Liberal Govern-

ment ever recognized this. Its immigration policy which led to the peopling of the Canadian West and the creation of the prairie provinces of Alberta and Saskatchewan, was designed to provide the population necessary to work the soil; its advocacy of Reciprocity was mainly due to the wider markets which the adoption of that policy would have afforded; its present advocacy of the abolition of duties on agricultural implements is aimed at lessening the cost of production with the consequent two-fold advantage of making agriculture more profitable to those engaged in it, and of lowering the cost of living for the whole nation which is dependent on it. The question, therefore, of the abolition of duties on agricultural implements is a national question, its adoption as a policy, a national policy in the highest sense.

#### The Cost of Production and its Effects.

How much in the interest of the farmers, the adoption of such a policy would be is apparent the moment one considers to what an extent the price of agricultural implements enters into the cost of production, and the position of the agricultural industry in Canada at the present time and especially the position of Canadian farmers in relation to their American competitors. A reduction of only 2½ to 5 per cent. would make a difference of from \$3.00 to \$5.00 on many implements. The present duties run from 12 to 25 per cent, and average about 17½. On a group of implements the retail cost of which amounts to \$1,206, and which are fixed by customs valuation at \$664, the duty collected amounts to \$154.84. These figures are from collections actually made. (a) To a small farmer such a sum is a big consideration. The Conservative party has been advocating the adoption in Canada of mixed farming on a wider scale. Such a policy would, if carried out, necessitate the purchase of a larger variety of farm machinery and tools. The cost of these because of additions necessitated by the present tariff would be sufficient to constitute a considerable bar to such a change should it be shown to be advisable. Last year of twenty-five articles, the farmers of Canada imported to the amount of \$14,372,000 and paid in duty \$2,872,000, an approximate duty of 20 per cent. (b) This, however, only indicates, but does not measure, the amount which must have gone, not as revenue to the government, but as extra profits to the implement manufacturers of Canada on the vast output of similar articles not imported from abroad, but manufactured and sold in the country.

Whilst the duty on agricultural implements adds to the cost of production, other circumstances are also tending to restrict the returns upon agricultural investment. The cost of marketing farm produce instead of diminishing has in some particulars considerably increased. Freight lake rates have increased since 1911 to the extent of \$10.00 per thousand bushels on wheat, and ocean freight rates \$35.00 per thousand bushels.

Farmers' prices have fallen while the cost of production has risen. In 1909, the farmers of Saskatchewan averaged 81½ cents a bushel for wheat as compared with 66½ cents per bushel reported as the current price by a Commission in Saskatchewan which has recently been investigating the question. According to this Commission's report, while prices have been thus reduced, the cost of production due to higher freight charges, terminal charges, increased cost of labour and other reasons has increased 12.01 cents per bushel.

### Other Factors Affecting Canadian Agriculture.

The rejection of Reciprocity deprived the farmers of Canada of favourable conditions in the nearest and best market for many of their commodities, and this at a time when the quantity available for export was becoming so great that the failure to obtain available markets of sufficient dimensions was certain to react upon the industry itself. This has told upon the implement manufacturers themselves. The purchasing power of the farmers not being what it otherwise might have been, implement manufacturers have found their sales considerably curtailed. The mortgages which Western farmers have found it necessary to place upon their farms, and the high rate of interest averaging from eight to fourteen per cent. payable on these mortgages has helped to limit the purchase of implements to the extent desired and has helped to depress the industry. Were the implements not so costly the number and the amount of the mortgages would be less.

Most serious of all, of late, is the relative disadvantage under which the Canadian farmer is placed with his American competitor due to the cheaper cost of many agricultural implements in the United States. The prices in Winnipeg during 1913 were, in some cases, 27.9 per cent. higher than the price paid by farmers in the vicinity of Minneapolis, and while Minneapolis prices in 1914 were the same as in 1913, Winnipeg prices advanced still higher in that time.

By the Wilson-Underwood Tariff of October 3rd, 1913, the United States' duty on agricultural implements was removed. The American farmer has been placed, therefore, in the position where he has the benefit of free competition among implement manufacturers at home and where he can obtain his implements free of duty in whatever market they may be purchased to best advantage. The retention by Canada of a high protection on agricultural implements deprives the Canadian farmer of this double advantage, though it does not relieve him of the competition of his American neighbor in the sale of his products in the markets of the world. Besides the United States' duty on grain and other agricultural products going into that country, leaves the Canadian farmers without free access to a market of nearly 100,000,000 which the American farmers have as their own. The American farmer, therefore, has a better market, gets a better price for his produce and is able to raise that produce at a less cost because of the lower price he pays for the tools of production.

### National Significance of existing Conditions.

All these circumstances make the question of the abolition of duties on agricultural implements a matter

of the greatest concern to Canada at the present time. In the older provinces, as for example, the Province of Ontario, the agricultural population has declined not merely relatively to the urban population, but absolutely. There are actually fewer persons engaged in agriculture in the Province of Ontario than there were ten or twenty years ago. On the other hand, the urban population, which is dependent upon the rural, has increased enormously. In the Canadian West there are already signs of a distinct contraction in agricultural development contrasted with the great expansion of recent years. In 1901 the area under cultivation in the Canadian West was 2,500,000 acres and the increase of the area under cultivation up to 1911, 17,000,000 acres. All this constitutes only 12½ per cent. of the area still available for cultivation. From 1911 to the present time the area of production has been decreasing. The demand for land has fallen off, homestead entries are fewer. There were 10,000 fewer entries in the year ending March 31st, 1913 than in the year ending March 31st, 1911. (c)

How doubly significant from a national point of view is this falling off in the agricultural development of the Canadian West will be apparent when it is known that it is due not merely to a falling off in immigration and a decline in settlement, but in some slight degree is also due to a return flow of the tide of immigration back into the United States. The wider markets, the absence of duties on agricultural implements, the cheaper cost of production, the higher prices obtainable in the United States are beginning to tell against the advantages in the way of availability and fertility of soils which the Canadian West earlier presented. The question which now needs consideration is whether from the national standpoint it is not better to so shape policies as to export commodities rather than men.

### Protection Apparently No Longer Needed.

Protection, as a national policy, was intended to enable industries likely to grow to make a beginning against adverse competition from countries in which similar industries were established. It was not to shield them forever, but only so long as this was necessary to enable them to mature. By its strongest advocates, it was admitted that anything beyond this, save as an indirect means of raising revenue, was an abuse, not a use, of protection. The agricultural implement business in Canada has grown to proportions where it not only controls the home market, but rivals all competitors in foreign markets as well. It is the business of government to aid in the production of wealth and its fair distribution. No longer required as an aid to infant industry, or a means of revenue, protection becomes robbery. In the case of agricultural implements it amounts to taking money out of the pockets of farmers and transferring it through the instrumentality of the State to men who do not need it. Having reached this stage the time for a change has come.

(a) See speech by Thomas McNutt, M.P. (Saltcoats) March 11th, 1914, Hansard, p. 1639

(b) See speech by Hugh Guthrie, M.P., (S. Wellington) March 11th, 1914, Hansard, p. 1629.

(c) See speech by Hon. Frank Oliver, March 11th, 1914, Hansard, p. 1656.

## THE DEBATE ON THE NATIONAL TRANSCONTINENTAL.

**A**FTER eight days of debate on the report of Messrs Gutelius and Lynch-Staunton, the National Transcontinental Railway Investigating Commission, Hon. George P. Graham's resolution of censure on the Government for inspiring accepting and endorsing the report was defeated in the Commons on April 2nd on a straight party division by vote of 105 to 67, a Government majority of 38. Mr. Graham's resolution, which contains the kernel of the Liberal attack, was as follows:

That the report of the commissioners appointed by the Government to inquire into the construction of the Transcontinental railway is so wilfully partisan and misleading as to be wholly unreliable; that the manifest object of the said commissioners as to misrepresent for party purposes rather than to investigate in the public interest, without regard to the serious consequences to the country or this great national undertaking; and that for the appointment of such commissioners, and for accepting and endorsing their report, the Government deserves the severe censure of this House.

The Government forces, impelled by political opportunism, naturally could not formally repudiate the report. The result of the vote was a foregone conclusion. The choice of the investigators—the one as a former C. P. R. employee unfavourable to the project of the National Transcontinental and the Grand Trunk Pacific from the first, and the other as a strong party man prejudiced and publicly committed over and over again against the Liberal policy from its inception—made it apparent that the Government wanted and intended to secure not an impartial but a partisan report and were prepared to endorse it. Party discipline, political opportunism, past policies and assertions, and the C. P. R. alliance all demanded that the outward semblance at least be given of believing and endorsing the Commission's findings.

But though a formal endorsement was thus given to the report by the Government majority, the debate itself, the listless character of the Government defence, the absolutely unanswered and unanswerable criticisms of Mr. Graham and of the other Liberal speakers, and the evident reluctance of the Government speakers to continue the debate or to discuss the report in detail were all significant of the real situation. The report intended as the chief weapon of attack by the Conservatives against the Liberal party was turned on its own authors. The "big gun" backfired.

Hon. George P. Graham in opening the Liberal attack gave a complete and compelling analysis of every phase of the report. Not a single charge made by the Commissioners remained unanswered or unrefuted. The Government was immediately placed on the defensive.

The Conservative speakers by shifting their ground from a discussion of the details of the findings to general assertions of the correctness of those findings; by falling back on the old argument that the road should never have been constructed in the first place; by countering the attack on Messrs. Gutelius and Lynch-Staunton with general denunciation of the former National Transcontinental Commissioners and by magnifying the difference between the original and the final estimates of cost, tacitly admitted that the forty millions "waste" charge could not be justified either in fact or in theory.

General assertions that the road cost too much and could have been built more cheaply if original plans as to gradients, curves and permanent structures had not

been adhered to may be dismissed with Hon. Frank Oliver's phrase—"A Government and a party are being condemned for having done a work too well; it is the first time I have ever heard criticism advanced from that standpoint." Incidentally Mr. Oliver also called attention to the fact that while nearly one hundred million dollars had been spent by the late Government upon the road without a single dollar having gone to party funds or improper private gain there had been under the Conservative administration, \$26,000 of the public funds diverted to private gain or party campaign funds out of a total expenditure of \$100,000 on the thirteen miles of the Southamptton Railway in New Brunswick.

The Conservative argument that the road should never have been built in the first place is but an echo of the Conservative stand when the project was first brought down by Sir Wil-

frid Laurier. The people of Canada gave the answer to that in 1904 and in 1908; and from 1908 until now the Conservatives never questioned the overwhelming verdict of the electors.

To the Conservative criticisms that Hon. S. N. Parent and the former N. T. R. Commissioners were not expert railway men and knew nothing of railway building the Liberal reply was that executive ability and business acumen were the essentials of the office rather than railway engineering experience. As Hon. Mr. Graham pointed out, the man now at the head of the railway department is a doctor from Prescott and practically every great railway or big industrial corporation on the continent has as its head a man chosen for his executive ability rather than for his technical experience. When the C. P. R. was built its Board of Directors did not include a single railway expert.

### THE TWO RESPONSIBILITIES.

"I have been told again and again that I am to be held responsible for the construction of this railway. If this statement, charge, accusation, whatever it may be, is intended as a reproach or a stigma, I accept it as an honor. I hold myself largely responsible for conceiving and trying to carry out the idea of the Transcontinental railway on Canadian soil, the best and the shortest of all railways across the American continent. The reasons which impelled me to this course are as strong in me now as they were then.

"We sought to construct the best road "that science could devise or money could build." I use these words for a far nobler purpose than that for which they were used before—our intent was to build that railroad for the development of the higher civilization. We applied ourselves to the task; we fell before the task was completed. And now we find that the men responsible for the completion of the road are trying to degrade it and to reduce this ideal transcontinental railway to a mere local branch road. On this side we have the responsibility of building; on that side they have the responsibility of destroying. Our responsibility we gladly accept; theirs they cannot evade."

*Sir Wilfrid Laurier in the Commons, April 2nd.*

As to the question of the increased cost of the road the facts were discussed and the issue settled conclusively in 1908. In the general election of that year, Hon. George P. Graham then gave to the public an estimate of total cost which varies little from the estimate of \$161,000,000 given today. The verdict of the people was "Go ahead and finish the road up to the standard agreed upon in 1904 and we'll pay the cost." And as a matter of fact by far the greater portion of the total cost has already been paid out of the Fielding surpluses. The instructions to the Liberal Government were to build the road according to the agreement with the Grand Trunk Pacific and according to the high standard determined from the first. That was what the Liberal Government did. And that they did it honestly is proven by the fact that after a two-year hunt for scandal not a dollar was found to have been misappropriated up to the time the present Government came into power. Be it noted also that the investigating commissioners, though instructed by order-in-council to investigate the whole work of construction including the two years and more under the Borden administration, stopped investigating when it came to the work of their own friends.

The failure of the Conservative speakers to deal with the findings of the report in detail was discreetly deliberate. The specific findings were not defended because they could not be defeated. In the sweeping and general way in which most of the conclusions are drawn it is stated that the aggregate "waste" was \$40,000,000. Even allowing all the items of waste charged up by the Commissioners the total figures out at least \$10,000,000 less. Even the addition is wrong—except for party literature purposes where facts are not considered as essential.

#### MAIN CHARGES AND THEIR REFUTATION.

The largest item of "waste" is given as \$8,800,000, through the letting of contracts in too large sections and through sub-letting. The Commissioners state that had there been no sub-letting of contracts that amount would have been saved to the people of Canada. The instances cited in the "evidence" only total up to a little over \$6,000,000. Altogether there were twenty-one contracts let on the National Transcontinental. They average 85½ miles per contract. In each case there was competition for the contract and in practically every case the lowest tenderer, to whom the contract was awarded, was considerably below the estimate of the G. T. P. and the N. T. R. Commissioners' engineers. There was sub-letting of each contract, of course. There never was a railway built or a great work undertaken without sub-letting. The present Government is allowing it every day. The main contractors always figure on a ten per cent margin of profit. To lump all this profit, on an arbitrary ten per cent basis, and make it \$8,800,000, as Messrs. Gutelius and Lynch-Staunton do, and to say that the whole amount should have been saved hardly needs further comment to prove the recklessness of the charge.

Another main charge was that \$4,500,000 had been illegally and unnecessarily spent on the Transcona shops. On the point of law, Mr. Staunton disagrees with the Justice Department and with the Government and all its legal advisers. On the point of railway practice and expert opinion, the commissioners disagree with Sir William Whyte, one of the best railway men on the continent, and with the suppressed official report from Consulting Engineer Hodgins of New York who was asked for an expert opinion. This charge was prac-

tically admitted to be unsubstantiated by Premier Borden himself, who, however, naively declared that an expression by Mr. Lynch-Staunton of his personal opinion, even if it ran counter to the opinion of everybody else, was an evidence of his sincerity and impartiality!

By adopting momentum grades the report says \$6,200,000 might have been saved. The "saving" would have been at an expense of \$7,000,000 per year in increased operating expenses, according to official expert opinion on file in the National Transcontinental office and ignored by Messrs. Gutelius and Lynch-Staunton. The "waste" on over-classification and over-break was said, in rough and ready manner to total \$3,300,000. The Commissioners state the finding but do not supply any conclusive evidence. It is sufficient answer to say that on the J. D. McArthur contract, where the late N. T. R. Commission secured an award from the board of arbitrators deducting from the amount due the contractor \$550,000, for overbreak, the present commissioner, Major Leonard, settled for \$150,000. This additional allowance of \$400,000 to the contractor clearly indicates that neither the Government nor Major Leonard believes the statement of the Investigating Commissioners.

There was but one other main charge to which the Conservative speakers paid any attention at all, namely in regard to the alleged "rake-off" of \$740,000 which M. P. and J. T. Davis were said to have made through sub-letting a contract. The charge was that the contractors got an unduly high price by reason of the inaccessibility of the district and then delayed beginning work until the building of other sections of the road made the work cheaper. The contract, say the commissioners, should have been cancelled and re-let at a lower figure. But the evidence does not show that the Messrs. Davis were in default. They were never even questioned as to the amount of preliminary work done or required. And after careful investigation, at the request of the late President Hays of the G.T.P. and of Sir Wilfrid Laurier, the former National Transcontinental commissioners came to the conclusion that the contract could not be legally cancelled nor would the public interest be served by attempting to cancel it.

#### WRONG FACTS, DISHONEST CONCLUSIONS.

Those are all the main charges in the report. In each case the evidence shows that the authors of the report were wrong in their facts, and deliberately dishonest in their conclusions.

In 1904 Mr. Borden, then leader of the Conservative Opposition went down to defeat in opposing the whole project of the National Transcontinental Railway. On his banners was then emblazoned the catch-phrase: "Better a government-owned railway than a railway-owned government." The result of the whole investigation—the accumulated evidences of the deliberate attempt to injure the people's road and the credit of the Grand Trunk Pacific, the degrading of the line from Cochrane east under the present Government, the shadow of the C. P. R. over the whole report—all emphasize the truth of that phrase so unctuously used by Mr. Borden in 1904.

The debate has its chief importance in impressing upon the people the great issues as to whether the National Transcontinental shall become what Parliament and the people of Canada intended it to become or whether it shall be from Cochrane east merely a local road to suit the interests of the C.P.R. and to serve the political piracy of a railway-owned Government.



## THE TRENT VALLEY CANAL INQUIRY.

ON October 14th, 1912, Mr. G. Howard Ferguson, member for Grenville in the Ontario Legislature was appointed by the Borden Government a commissioner to investigate charges in regard to the purchase and use of explosives on the Trent Valley Canal. On November 28th, 1912, the Commission was extended to include the general administration of the Canal and the conduct of the employees.

Mr. Ferguson's report is dated February 18th, 1914, and was, together with the evidence taken by him as Commissioner, presented to Parliament, on March 9th. In answer to a question asked in the House on March 23rd, the acting Minister of Railways stated that Mr. Ferguson had charged for his services in connection with this investigation the sum of \$985.00 of which \$550 was for thirty-seven days services at \$15.00 per day, \$370 for expenses and disbursements and \$60.00 for preparing the official report to the Government. In other words Mr. Ferguson took 511 days or nearly a year and five months to prepare a report of an investigation which occupied at the outset 37 days.

### An Amazing Disclosure.

Like the Lynch-Staunton-Gutelius report on the National Transcontinental Railway, Mr. Ferguson's report was intended to serve primarily a political end. The part of the report which relates to the purchase and use of explosives reveals grave irregularities, but they are, unfortunately for the Government, irregularities which have occurred since it assumed office. Though the Commissioner in his findings would have it appear that appointees of the late Government were in some way responsible, the evidence does not contain one word reflecting on the purchase of explosives made prior to 1912. On the other hand, it is clearly shown that after the Conservative Government assumed office, instead of explosives being sold direct to the Government by the local dealer who purchased from the manufacturer as had been customary, instructions were given from Ottawa that purchases thereafter were not to be in this direct manner, but with the intervention of a middleman in the person of a leading Conservative of Lindsey who was to purchase the explosives from the local dealer and sell to the Government. The evidence and the report both show that the explosives were bought by the dealer at 19 cents per pound, sold to this middleman for 22 cents per pound and by him resold to the Government at 27 cents per pound and that by simply making entries, but without even handling the explosives, the Government's nominee reaped a large profit.

The Commission extended the Commissioner was allowed to search at large over the affairs of the Canal for years preceding, as well as subsequent to the elections of 1911. Having found evidence of dishonesty on the part of the superintendent, the commissioner appears to have gone out of his way to in some manner connect the Liberal party with these transactions, and to make what might appear a scandal reflecting on the party.

Having in mind the sensation they hoped to create by the presentation of the Lynch-Staunton-Gutelius report, the Government evidently believed that bringing down the Ferguson report a little later, they might create further suspicion in the public mind. This will explain the time given Mr. Ferguson to send in a report which took only 37 days in preparation, and the particular juncture at which it was presented.

### Evidences of Partisanship.

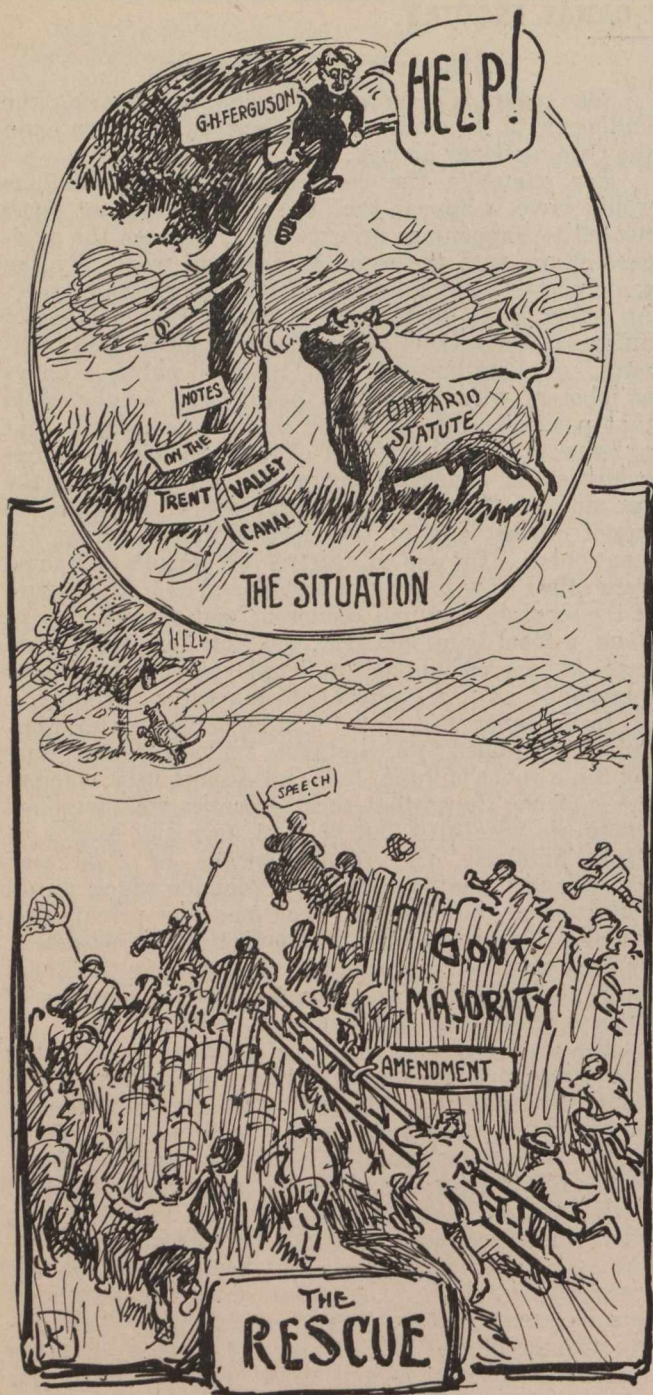
The report is in no sense judicial. Comparing the findings with the evidence it is a serious reflection upon the Commissioner himself.

For example, the commissioner in his findings would have it appear that the wrong-doing set forth related to happenings prior to 1911, whereas the evidence show, that the same doings, and worse, by the same parties were going on at the time of the inquiry. An effort is made to have it appear that persons of different occupations and professions, respectable citizens of Peterborough had received public moneys as laborers when they had never been employed in that position. The evidence shows conclusively that as respects some thirty-four of these persons such irregularities as occurred were wholly with respect to the lax method of bookkeeping, and not of a nature to reflect against any of the parties whose names are mentioned. Not one of thirty-four persons so named were called as witnesses, or questioned as to the nature of the services they had rendered; and though one of them, a local bank manager, was examined with reference to an account of an employee, he was never questioned as to a payment to himself as "labourer".

In the report it is stated that groceries had been improperly supplied to a caretaker, William Hewitt, during the months of June, July and August 1910, whereas the evidence shows that these groceries were supplied not in the year 1910, but in June, July and August of 1913. Similarly the report speaks of "picture" frames and "photographs" in a manner which would indicate that purchase had been made for private use, whereas the evidence clearly shows that the "frames" referred to were for signs to be placed along the Canal route, and that the "photographs" were sketches of parts of the route intended for public use.

The most obvious evidence of political partisanship in the report is an insinuation that a fraction of the moneys fraudulently obtained by the Government employee whose dishonesty is the main subject of the report, were turned over to a Liberal campaign fund. There is nothing in the report to prove any allegation of the kind. There is the mere assertion of a man whom the report says "has not only practiced deception and dishonesty himself, but has condoned it and winked at others". The report cites the names of persons mentioned in this connection by this dishonest individual, but it does not appear that the Commissioner ever called these persons to appear before him, or gave them any chance to answer the insinuations. It has since been learned that they deny them absolutely. Except in this unfair and indirect manner, the report fixes no blame upon either the Liberal or the Conservative Administration for the conditions described. Indeed it goes far to show that such irregularities as existed were due but wholly to the dishonesty of individuals.

In having exposed deliberate dishonesty on the part of unworthy public servants the Government is to be commended. It will be worthy of still higher commendation if it follows up its disclosures by prosecuting the offenders to the limit they deserve. But by seeking to make party political capital out of the report the Government and its commissioner only help to foster dishonesty in the public service and to show their indifference to the offences disclosed.



### A DISGRACEFUL SEQUEL.

THE sequel to the bringing down of Mr. Ferguson's report is hardly less interesting as a side light on Tory methods and tactics than the report itself. No sooner had Mr. Ferguson's report been tabled than an effort was made by the Conservative press to have it appear that a scandal had been unearthed which reflected upon the Laurier Administration. The ink was scarcely dry before the real scandal was shown to be that in its effort to dispense patronage to party followers, the Government had appointed Mr. G. Howard Ferguson as a Commissioner to conduct this inquiry at a time when as a member of the Ontario Legislature, it was against the law for him to accept remuneration for

services of the kind from the Federal Government. By accepting this position and drawing payment for his services, Mr. Ferguson according to the Ontario Statute was disqualified from longer holding his seat as a member of the Legislature.

To permit Mr. Ferguson to draw money out of the Federal Treasury and to save the public disgrace of his enforced retirement as a member, a fresh scandal was enacted in the Ontario Legislature. On Tuesday, the 17th of March, Hon. W. J. Hanna, to rescue Mr. Ferguson from his liability to fine and forfeiture of his seat brought in a special Bill to amend the Ontario Act containing the disqualifying clause, and by the assistance of partisan rulings by the Speaker, and the force of the Tory majority in the Legislature, jammed this Bill in all its stages through the Legislature between the time of meeting on Tuesday and half past four o'clock on the following Wednesday morning. All regard for Parliamentary procedure and tradition was forced to one side by processes similar to those adopted by the Tory party at Ottawa at the time of the enactment of the closure. The whole procedure was as arbitrary and contrary to Parliamentary rules as were the parent proceedings in the Federal House a year ago.

### WHITE PHOSPHORUS MATCHES.

THE Minister of Labour, the Hon. T. W. Crothers, is taking much credit to himself in that after being in office for over two and a half years, he has at last introduced one measure in the interests of labour. The Bill to prohibit the manufacture, importation and sale of matches made with white phosphorus was introduced in the House of Commons on March 11th and passed its third reading on the 17th.

In introducing the Bill the Minister made a long speech in support of the proposed legislation and but for a question asked by the Hon. Charles Murphy after it was concluded, the public might have gathered the impression that the measure was some brilliant inspiration of the new Administration. No reference was made by the Minister to any similar measure ever having been previously introduced in Parliament or to any previous discussion of the subject.

Mr. Murphy's question, however, compelled a disclosure. It was short and to the point.

"Does this Bill," asked Mr. Murphy, "follow the Bill introduced in the House in 1911?"

Much to his discomfort the Minister was obliged to reply: "It is substantially the same."

The Minister's admission is borne out by the fact that the Bill which Mr. Crothers introduced is, with the exception of a single clause, the identical Bill introduced in 1911 by Hon. Mackenzie King, while Minister of Labour in the Laurier Government. Clause by clause, with this single exception, the Bills are the same. Moreover, virtually the whole of the speech of the Minister of Labour as reported in Hansard for March 11th, 1914, is taken from the speech of his predecessor in office as delivered in Parliament on January, 1911, though Mr. Crothers did not make so much as an allusion to the remarks of his predecessor in originally introducing the legislation.

## DIARY OF THE MONTH.

1914.  
March.

- 2 **HOUSE OF COMMONS—ASIATIC IMMIGRATION** problem discussed and Government urged to enunciate some permanent policy of restriction, consonant with Imperial considerations. Hon. Dr. Roche replies that whole question is "under consideration".
- 3 **MONTREAL LABOR MEN COMPLAIN TO PREMIER OF INACTIVITY OF LABOR DEPARTMENT** in regard to operation of fair wage clause, etc.  
**HON. F. D. MONK RESIGNS** his seat in House of Commons.  
**HOUSE OF COMMONS—RESOLUTION OF CENSURE ON MINISTER OF LABOR** for his persistent negligence and absolute indifference to labor's interest in connection with Vancouver Island coal mines dispute, **MOVED BY MR. VERVILLE** and defeated by vote 80 to 43, a Government majority of 37.
- 4 **HOUSE OF COMMONS—RESOLUTION favoring OLD AGE PENSION SYSTEM** for Canada, moved by **G. W. KYTE**. House adjourned without any vote being taken.
- 5 **PARCEL POST** limit raised to eleven pounds.  
**BRITISH COLUMBIA FEDERATION OF LABOR** passes resolution that **UNION MEN** must not be members of the **MILITIA**.
- 6 **HON. G. P. GRAHAM** in address to the University Club, **TORONTO**, analyzes **GUTELIUS-STAUNTON** report on National Transcontinental.  
**DR. MICHAEL CLARK, M. P.** and **MR. F. PARDEE** address meetings of Liberals at **SARNIA**.  
**HON. FRANK OLIVER** addresses **WOODSTOCK CANADIAN CLUB** on "Canada east and west."  
**HON. RODOLPHE LEMIEUX** addresses national wholesale lumber dealers at **BUFFALO, N. Y.**
- 7 **HON. W. L. MACKENZIE KING** addresses **REPUBLICAN CLUB OF NEW YORK ON PEACE CENTENARY**.  
**SIR GEORGE ROSS**, Liberal leader of the Senate, **DIES AT TORONTO**.
- 9 **MR. GUSTAVE EVANTUREL RESIGNS** from Ontario Legislature.  
**HOUSE OF COMMONS. MR. CARVELL** exposes scandal in connection with Southampton Railway construction, N. B. **MR. ANDREW BRODEUR'S** anti-cigarette resolution referred to special committee. **MR. CARRICK** moves resolution for increased protection to iron and steel industry and receives support from a number of Conservative speakers.
- 11 **MONTREAL** to have **NEW COMMERCIAL DAILY PAPER, THE JOURNAL OF COMMERCE**; **HON. W. S. FEILDING** to be **PRESIDENT**.  
**HOUSE OF COMMONS.** Liberal resolution proposed by **MR. KNOWLES** for free agricultural implements voted down by Government, 82 to 44.
- 12 **HON. FRANK COCHRANE, AUTHORIZES SURVEY OF PORTION OF I. C. R. WITH VIEW TO ELIMINATING PRESENT HEAVY GRADES** and replacing light bridges with heavier steel structures.  
**TOTAL IMMIGRATION** into Canada last year was 402,000 an increase of 50,000 over previous year. Of total, 150,000 came from British Isles.
- 13 **LABOR DELEGATION ASKS** Government to initiate **OLD-AGE PENSION SCHEME** in Canada.
- 14 **JOSEPH TACHE, of ST. HYACINTHE,** succeeds late **CHARLES PARMALEE** as **KING'S PRINTER**.  
Annual convention of **NORTH YORK CONSERVATIVES.** **HON. MR. CROTHERS** addressing meeting repeats that he wants to be "Minister of Play".
- 16 **HON. WINSTON CHURCHILL** speaks on British Navy in British House of Commons and reported to have said agreement has been arrived at between Borden Government and the Admiralty, whereby cost of three Dreadnoughts will be borne by Dominion Government.
- 17 Personnel of **GEORGIAN BAY CANAL COMMISSION** announced, viz., **W. S. Evans, F. S. Meighen** and **Edward Gohier**.
- 18 **HON. WILLIAM PATERSON,** Minister of Militia, dies at **PICTON, ONT.**
- 19 **HON. HEWITT BOSTOCK, CHOSEN LIBERAL LEADER OF THE SENATE** in succession to the late **SIR GEORGE ROSS**.
- 20 Deputation representing Dominion Council of Agriculture and United Farmers of Ontario, protest to Government against increased protection to iron and steel industries.

- 21 **PEEL LIBERALS NOMINATE W. J. LOWE FOR COMMONS** and **A. H. MILNEE FOR LEGISLATURE**.

**TRADE REPORTS** for **FEBRUARY** show decrease in imports of \$14,401,754 and a decrease in exports of \$2,304,080, compared with February of last year.

- 23 **SIR RICHARD McBRIDE** arrives in Ottawa to consult Government on various political and provincial matters.

**MR. F. B. CARVELL, M. P.** and **MR. THOMAS MARSHALL, M. P. P.** address meeting of Liberals at **HAMILTON**.

- 24 **HOUSE OF COMMONS. HON. J. D. REID,** acting Minister of Railways presents annual budget of Railway and Canals Department and opens debate on National Transcontinental Railway **HON. G. P. GRAHAM** replies.

- 25 **HOUSE OF COMMONS. HON. G. P. GRAHAM** concludes seven-hour analysis of Gutelius-Staunton report and moves resolution of censure on Government for inspiring and endorsing such a wilfully misleading and partisan report. Debate continued by **MR. MID-DEBRO** and **MR. CARVELL**.

**DEPUTATION** of 1,700 from Western Ontario wait upon Government to urge deepening of St. Lawrence Canal system and federal subsidies for Provincial Hydro-radial lines.

- 26 **MR. GEORGE H. BOVIN, M. P.** addresses **TORONTO WOMEN'S LIBERAL ASSOCIATION** on "Liberalism".

More than a thousand delegates go to **WINNIPEG** to attend big **LIBERAL CONVENTION**.

**HOUSE OF COMMONS.** Debate of National Transcontinental continued by **Hon. ARTHUR MEIGHEN** and **MR. W. M. GERMAN**.

- 27 Special Committee of **HOUSE OF COMMONS** drafts legislation to facilitate the hearing of election protests.

**HOUSE OF COMMONS.** Debate on National Transcontinental continued by Messrs. **Armstrong, Kyte, Davidson, Michaud** and **Turgeon**.

- 28 **MR. J. S. EWART, K. C.** addresses **MONTREAL CANADIAN CLUB ON NAVAL QUESTION** from Australian and New Zealand standpoint.

- 30 **MR. R. A. PRINGLE, K. C.** appointed by Government **TO INVESTIGATE** charge of \$26,000 **RAKE-OFF** in connection with **SOUTHAMPTON RAILWAY, N. B.**

**HOUSE OF COMMONS.** Debate on National Transcontinental continued by Messrs. **Boyce, Oliver, S. Sharpe** and **J. J. Hughes**.

- 31 **HOUSE OF COMMONS.** Debate on National Transcontinental continued by Messrs. **Sevigny, Lachance, McCurdy, Power, Demers** and **Loggie**.

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## THE PURPOSE OF THE NATIONAL TRANSCONTINENTAL.

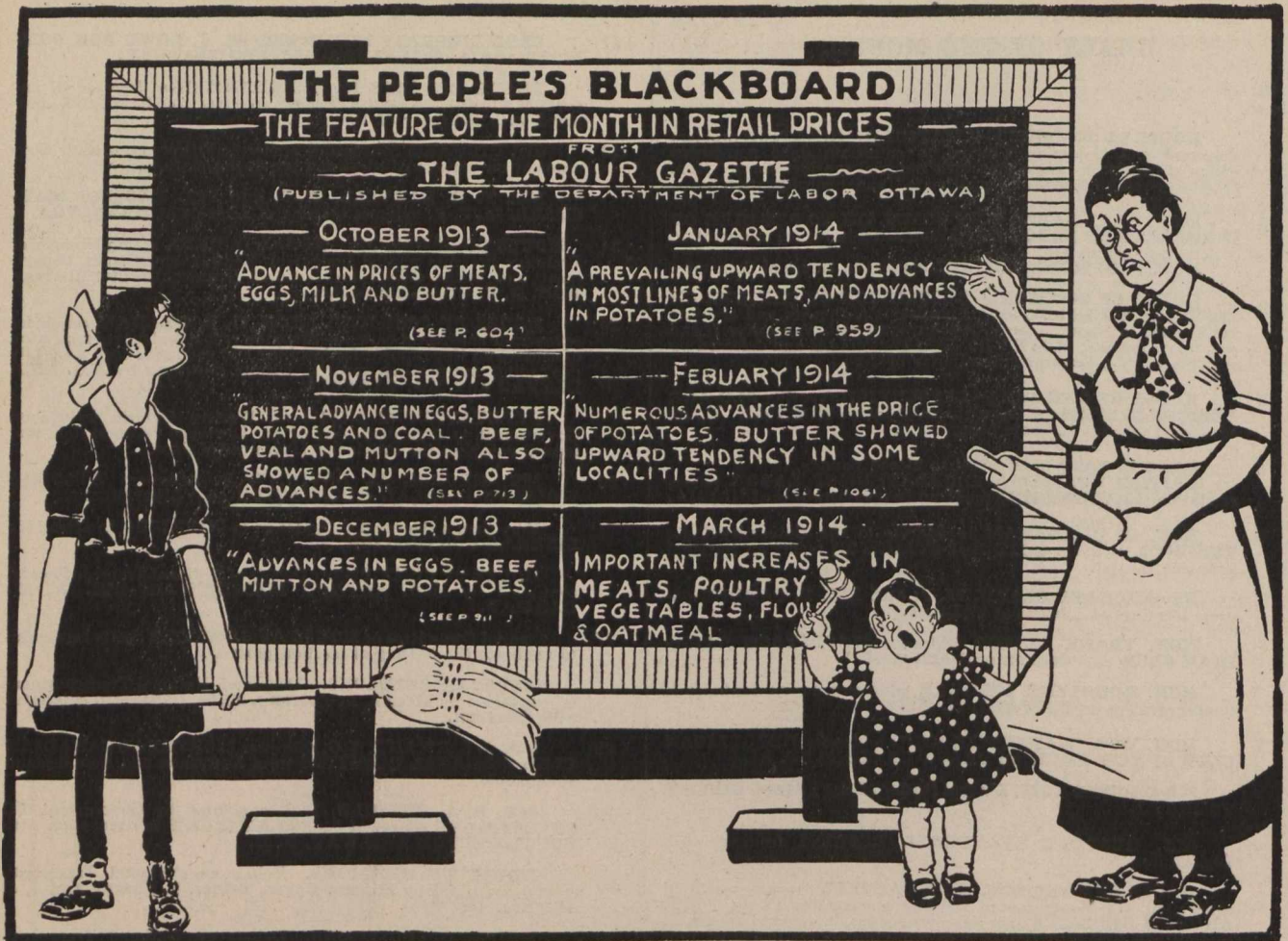
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Our first object in building the road was to give to the farmer of the West at all seasons, winter and summer, an open communication to the markets of the world which would never fail; which would relieve him from the necessity of being forced to market his crop between harvest and the close of navigation, thus glutting the market at a time of low prices.

It was our aim and purpose also to open the northern section of our country. If ever there was a danger to the Canadian Confederation, it arose from the fact that there was and is yet north of Lake Superior a long stretch of country uninhabited, and supposed to be uninhabited. We conceived the idea of opening that section of the country, of filling it with a teeming population, of connecting Quebec and Winnipeg with a continuous chain of settlement—villages, towns and farms—so that we might have a continuous, uniform Canada from sea to sea.

But that is not all. At that time we had only one transcontinental railway. It was, in my opinion and in the opinion of many, a blemish on that line that in connecting with our eastern seaports it was not all upon Canadian soil, and that part of it was in American territory. We wanted a line upon Canadian territory, so that happen what might, our transportation would be free from international antagonisms.

We looked beyond the shores of our own continent and wished to be in the van with the shortest and best route between the Orient and Europe.—*Sir Wilfrid Laurier in the Commons, April 2nd, 1914.*



**HON. W. T. WHITE'S BUDGET CONFESSION.**

"It is a time for prudence and caution" said Hon. W. T. White, Minister of Finance, in delivering his budget speech in the Commons on April 6th. Prudence and caution, however, were hardly shown in the financial record he presented to Parliament for the first two complete fiscal years of his regime, as "watch-dog of the treasury."

During those two years, ending with the 31st of March last, the expenses of the ordinary cost of administration have increased by nearly \$28,500,000. Mr. White explained this on the score of "fairly generous appropriations" mainly in public works, post office, railways, agriculture and militia.

In opposition, Premier Borden strongly criticized what he called Liberal "extravagance" and protested that the expenditures could be cut down by ten or eleven millions without injury to the public service. Instead of that, expenditures have been increased by nearly three times that amount.

Some of the outstanding features of Mr. White's budget are as follows:

Revenue increase during 1912-13.....	\$32,581,686
Revenue decrease during 1913-14.....	6,000,000
Consolidated fund expenditure increase 1913-14.....	14,500,000
Total expenditure 1913-14.....	183,500,000
Increase in net debt during 1913-14.....	19,000,000

Mr. White thought that the "worst is over"; but at the same time there is no sign of any retrenchment in expenditure in face of a steadily falling revenue. Borrowings and increase of debt for the new fiscal year are predicted.

During the year just ended the finance minister floated loans in a restricted money market to the enormous total of \$56,404,231. Short term loans to the amount of over \$18,000,000 were made at interest varying from 4½ per cent to 4 15-16 per cent.

When expenditure increases by nearly forty millions on both capital and consolidated fund account, and revenue falls off by six million dollars, there does not seem to be much "prudence or caution" manifested by Mr. White or the Borden Government. The "dash-away-and-spend-the-money" policy of the spendthrift heirs to the Fielding financial regime is strikingly emphasized by the budget confession of this year.

**HON. GEO. P. GRAHAM'S SPEECH**

Complete and convincing reply to the Gutelius-Lynch-Staunton charges and misrepresentations concerning the National Transcontinental, issued in pamphlet form. Copies may be obtained free on application to the Central Bureau of Information of the Liberal Party, Hope Chambers, Sparks St., Ottawa.

Issued by the Central Liberal Information Office, Hope Chambers, Ottawa, and printed by the Capital Press Limited, Ottawa. Subscription Rates \$1.00 per annum. 80c per annum on five or more subscriptions.

