

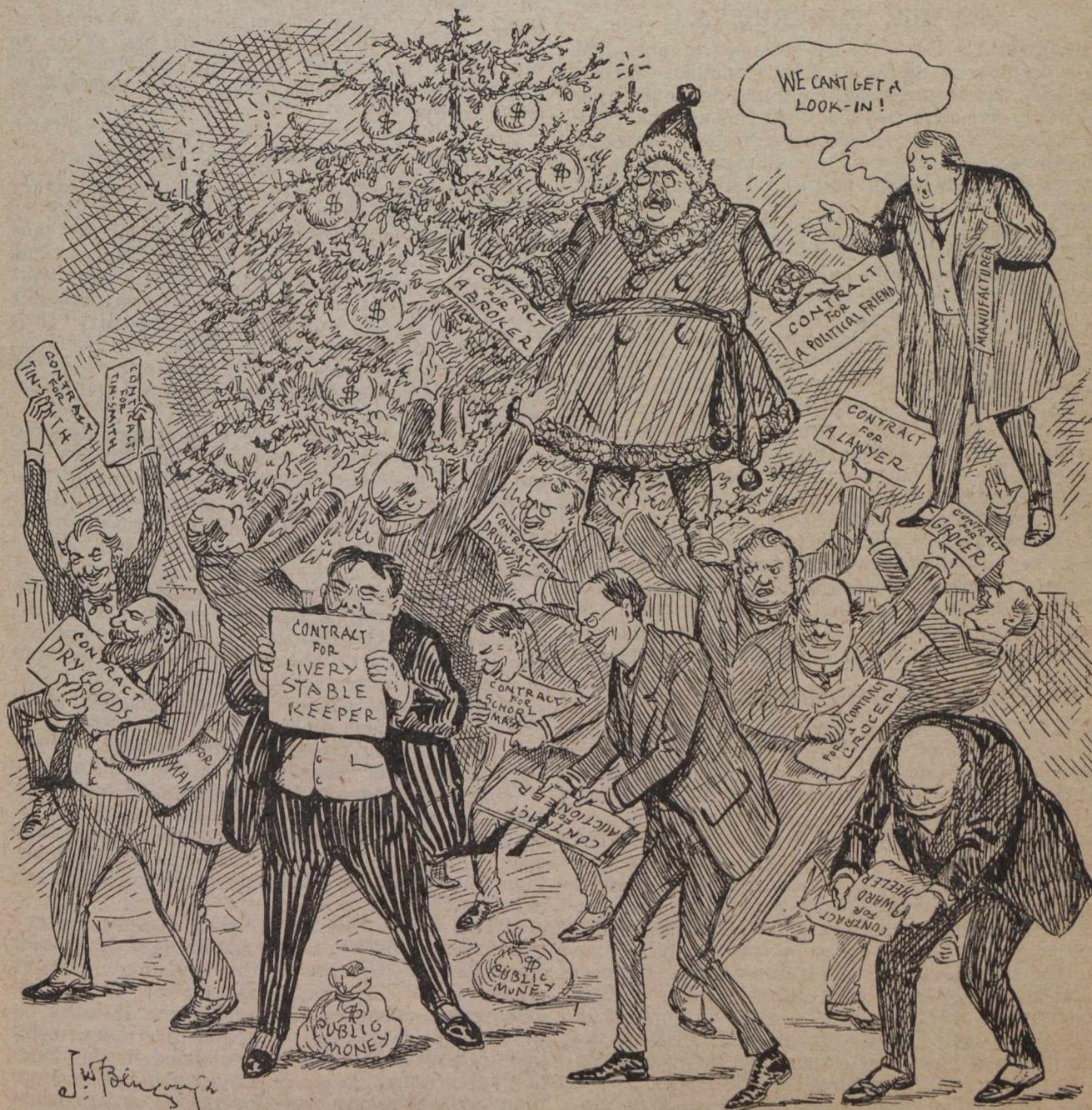
THE CANADIAN LIBERAL MONTHLY

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OTTAWA, DECEMBER, 1915.

Two Cents

THE OTTAWA CHRISTMAS TREE



NO NEED TO BE A MANUFACTURER TO GET A WAR CONTRACT.

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TO OUR SUBSCRIBERS.

COMMENCING with the present number, the subscription price of The Canadian Liberal Monthly has been reduced from one dollar per year to twenty-five cents per year. At this nominal price the Liberal Monthly should have on its subscription lists the name of every man in Canada who has the interests of Liberalism and the Liberal Party at heart.

The aim of the Canadian Liberal Monthly is purely educational. It seeks to keep its readers clearly informed from month to month on the chief political issues and developments by recording opinions and events which are of interest to the Liberal Party in Canada. It has been found of special and practical value and help by those who take an active interest in the affairs of the Liberal Party. The success which has attended this publication since the first issue in September, 1913 has prompted the decision to widen the sphere of the Monthly and it is expected that the reduced price will result in increasing the number of subscribers many times over.

To attain this result it is necessary that present subscribers should help by bringing the Monthly to the attention of their friends and urging them to subscribe at the nominal price of 25 cents per year. Every reader of the Monthly can find the time to get four, or six or a dozen new subscribers.

WHERE IS THE REDUCTION?

BORDEN government apologists are taking great comfort out of the official announcement that general expenditure by the government has been reduced some seven million dollars in the past year. But the government newspapers which have used their largest type in making the announcement fail altogether to explain how the apparent reduction has been accomplished. Since the War started, there has been little if any expenditure on the Militia Department charged up to General Expenditure as in past years. Instead it has naturally gone into the special War Expenditure accounts, because practically all the work of the Canadian Militia since August, 1914 has been directly in connection with the War. For the fiscal year 1913-14 the Militia Department was responsible for over eleven million dollars of the total of General Expenditures. With practically all of this charged to War Expenditure in the past year, it is small wonder that a reduction in General Expenditure could be shown.

IN THE HOUSE OF HIS FRIENDS.

THE Borden Government is being assailed by its own friends on the ground that it has utterly fallen short of its duty to the Empire as well as to Canada in its failure to make adequate use of facilities in Canada for the production of munitions of war. In the course of a series of scathing editorials, the Toronto Telegram has addressed itself personally to Sir Robert Borden and has not minced words in making itself understood.

Thus, after declaring on November 12th, that "Canada's substitute for a Minister of Munitions, the Shell Committee, distributed orders that relative to Britain's needs, were about the size of chicken feed, . . . the Shell Committee was a cumberer of the ground" and that "Canada has so far all but missed the greatest industrial opportunity that ever confronted a young nation," the Telegram later asked pertinently,

"Government Collapsed Utterly."

"Is Sir Robert Borden assured as to the adequacy of his own leadership? Does Sir Robert Borden admire the George E. Foster Department of Trade and Commerce and the Sir Samuel Hughes Shell Committee, when Sir Robert faces the fact that his Government has collapsed in the presence of the greatest industrial opportunity that ever confronted a young country? That opportunity was almost entirely unimproved so far as Canada's present industrial prosperity and future greatness is concerned."

On another occasion the same paper declared that "Canada should to-day be filling British War orders to the extent of \$20,009,000 a week instead of \$3,000,000" and in largest type asked "Is Sir Robert Borden to let \$100,000,000 a week in British War orders drift to United States' factories," adding the comment and advice that:

"Sir Robert Borden should hasten to redeem the inadequacy of his leadership. The inadequacy of the Borden leadership explains the inadequacy of the country's mobilization of munition factories."

Arguing again that it was the bounden duty of the Department of Trade and Commerce, presided over by Sir George Foster, to have realized the possibilities of Canadian industries in the making of War munitions, and that steps should have been taken to mobilize these industries and secure the orders which the Allies would have been more than glad to place in Canada if there was any evidence that they could be filled, the Telegram declaims in sorrowful bitterness:

"The unfruitfulness of Sir George Foster's thinking may be due to the smallness of Sir Robert Borden's leadership or to the inadequate initiative of Sir Robert Borden's Minister of Trade and Commerce. That Sir George Foster's thinking on the subject of his own public business is unfruitful and ineffective is a truth proclaimed in the tones of Canada's inability to secure or take care of more than \$3,000,000 per week in British orders when these orders are going to the United States at the rate of \$100,000,000 per week."

CANADA'S IMMEDIATE DUTY.

THE case of the Canadian people against the profiteering politicians and party middlemen whose activities in war contracting are bringing disgrace on the Dominion has been put with unequalled force by Mr. N. W. Rowell, Leader of the Liberal Opposition in Ontario. Speaking at Woodstock, Ont., on December 4th, on the occasion of the annual meeting of the North Oxford Reform Association, Mr. Rowell made a vigorous plea for a proper expression of enlightened public opinion which would force such house-cleaning reforms as are demanded by present conditions. His suggestions may be briefly reviewed:

Grafters should be jailed.

Parliamentarians who profit from public contracts should be unseated.

Contractors allowed to make undue profits, mainly because of their political affiliations and service to the party should be eliminated.

A great British credit for the financing of Imperial war contracts should be established.

The Government should commandeer the best brains of both political parties and of all the business and commercial interests of Canada so that Canada's work for the War may be the best that is in her and that the British taxpayer may thus be given the square deal in Canada where he has the best right to expect it.

Thus Canada can demonstrate to the Empire and the rest of the world that Canada is not in this War for material gain but for the cause of freedom and democracy.

Mr. Rowell aroused his hearers to enthusiasm at the outset of his speech when he said "Let the Federal Government see to it that the blood of Canada's youth is not spilled on the plains of Flanders to enrich the grafters at home," and later found similar response when he declared:

"If there is one thing in Canada against which we must protest with all the emphasis possible, it is the graft in connection with the purchase and handling of War supplies. Is there anything more iniquitous and discreditable than men making ill-gotten gains out of the blood and sacrifice of our men? The Attorney-General of this province should take notice that if any man places himself within the criminal law in this respect justice will not be done until that man is punished to the hilt of the criminal law. In France and Russia they put the grafters in jail. Such men in this country should be jailed when found guilty."

Speaking of the discreditable record of the old Dominion Shell Committee, now superseded after an investigation of its work by Mr. D. A. Thomas on behalf of the British Minister of Munitions, Mr. Rowell said: "I know of nothing more humiliating than this. Canada was entrusted with this important phase of the Allies' operations and it had to be taken out of her hands. The only compensating feature is that Britain itself was able to find in Canada men fitted to do this work for it."

COAL PURCHASING SCANDAL AT VICTORIA

STILL another of the iniquities of the Tory patronage system was revealed at Victoria, B.C. last month when a Royal Commission enquiry was conducted by Mr. Hammet P. Hill of Ottawa into charges of graft and irregularities in the purchasing of coal for the Dominion Government dredging fleet in Pacific Coast waters. The evidence, which included the open admissions of Government officials and patronage politicians, showed that an official Government contract for coal was disregarded and the coal bought at much higher prices through the Secretary of the Conservative Association at Victoria, the latter benefitting personally to the extent of at least 50 cents a ton.

The formal charge was made by Mr. Joshua Kingham of Victoria, whose firm was awarded the official contract for the supply of coal to the Dominion Government dredges for the fiscal year 1913-14 at the rate of \$5.25 per ton. Mr. Kingham claimed that his firm received no orders in this time, but that the coal was bought from other parties at \$7 a ton and the government thus paid \$3,814 more than the contract price.

Cool Confession by Government Official.

The case was proved by the very first witness, John L. Nelson, who has been superintendent of dredging under the Federal Department of Public Works in British Columbia since March, 1913. Mr. Nelson coolly confessed that he had bought the coal from Kirk & Co. of Victoria, through W. H. Price, Secretary of the Victoria Conservative Association, that he knew the prices were higher than the coal could have been got from the Government contractor, that he had continued to certify the accounts of Kirk & Co. as "fair and just" long after he had received repeated notifications from other firms as to the lower prices they could deliver for. He declared that he had done this because of a "feeling of gratitude" toward Kirk & Co. and created something of a sensation in court when here marked:

"I have certified enough invoices as being at fair and just prices that I know are not fair and just."

J. L. Nelson, who was appointed to the position of dredge superintendent in British Columbia by Hon. Robert Rogers, formerly resided in Winnipeg where he was an active political protege of the Minister of Public Works prior to the latter's advent at Ottawa. Nelson held large contracts for the supply of telephone poles for the late Roblin government.

J. R. Fallis, Conservative M.P.P. for Peel, Ont., succeeded in securing for himself a complete monopoly for the sale of War horses to the Government in Peel County. How did Mr. Fallis get his monopoly? How did he get the official letter to Government buyers which was his warrant for monopoly? Did he get it by his own unaided efforts? Or did he enlist the services and good offices of Mr. Richard Blain, Federal Member for Peel? Tory Federal patronage usually is controlled by the Federal Member.

THE DOMINION SHELL COMMITTEE

The Dominion Shell Committee, appointed a year ago by the Borden government at the suggestion of the Imperial government, has been reconstructed and the management of shell production in Canada is now in the hands of a new committee known as the Imperial Munitions Board. The Dominion Shell Committee has been dissolved apparently as the direct result of representations made to Premier Borden and his government by Mr. D. A. Thomas, the personal representative of the British Minister of Munitions, who was sent to Canada to investigate the whole matter of shell production in Canada. That the old Shell Committee is thus superseded and is supposed to disappear from public view does not mean, however, that its activities during its year of life are to remain a closed book. It has been made abundantly plain that public sentiment demands that there should be a full and open investigation of all its business.

The Borden Government Responsible.

The Dominion Shell Committee was appointed by the Borden government in response to a request from the Imperial government that the shell-making facilities of Canada should be organized to help meet the demands of the hungry guns at the battle front. It matters little whether the Committee was named by Sir Sam Hughes personally, as he has claimed, or by Sir Robert Borden or by the Cabinet in Council. The fact remains that the Borden government was and is responsible for the appointment of the Shell Committee, and is therefore responsible for its actions. All Canada is concerned in that responsibility and shares the humiliation and disgrace which came when a representative of the Imperial government, investigating the whole affair on the ground, found the conditions such that the Dominion Shell Committee had to be relieved of its work.

What the British Representative Discovered.

Mr. D. A. Thomas, personal representative of the British Minister of Munitions, after a few busy weeks in Canada, made plain his finding that the Shell Committee had failed to get the result that might have been expected. He found prices unreasonably high, delivery altogether too slow and the volume of production far short of what was needed and expected.

Mr. Thomas found, and publicly announced his finding that **"the profits of the manufacturers were higher than they were entitled to."**

Mr. Thomas found, and let it be known by the plain inference to be taken from his diplomatic public statement, that the Dominion Shell Committee was composed largely of men who were personally and financially interested in certain large corporations which had succeeded in getting a substantial share of the shell orders at extravagantly high prices. The personnel of the committee affords justification of this finding, as it included Col. Cantley, head of the Nova Scotia Steel Company,

Mr. Watts of the Canada Foundry Company, Mr. E. Carnegie of the Electric Steel & Metal Company of Welland, while the chairman, General Bertram, is reputed to be still largely interested in a large plant at Dundas which bears his own name.

Serious Charges in the Press.

Leading newspapers and trade journals in Canada have charged that middlemen figured largely in shell and shell-box contracts, that manufacturers seeking orders were held up for heavy commissions by men who claimed to have the handling of the contracts, also that firms and individuals who could not themselves do this work received large contracts which they sub-let, at good profits to themselves, to bona fide manufacturers who were unable to secure the business direct.

The outstanding proof of the shortcomings of the Dominion Shell Committee is the simple fact that it was found wanting and therefore was "fired." That the firing was done with some ceremonious delicacy does not alter the fact. It was fired.

That these charges are well founded is apparent from statements coming in one form and another from nearly every part of Canada. Even in the constituency represented in parliament by the Minister of Militia himself, there are men credibly reported to have openly boasted of the contracts which they were able to secure and sub-let at fat profits although they were in no way connected with plants that could do the work.

Five Kinds of Shells.

The manufacture of shells in Canada has been shrouded in a good deal of mystery and there has been little public information as to just what work has been done. It may therefore be news to many that five different types or sizes of shells have been made; the 15-pound shrapnel, the 18-pound shrapnel, the 18-pound high explosive, the 4.5" Howitzer and the 60-pound high-explosive and perhaps other sizes. Newspaper comment on the prices paid has been more or less without exact information as to these different types and sizes, with the result that there has been a good deal of confusion created in the public mind. It may therefore be of interest to give here information which has been gathered throughout Canada as to the prices paid for "assembling" and "machining" these shells, which is the only work done by most of the contractors, as the material, in its crude steel form, known as "billets," has been supplied to them from the large steel plants. Also there is information based on the investigations of engineers and experts and other investigators whose conclusions as to actual cost as compared with contract prices have been published in various papers.

Variations in Contract Prices.

For the 15-pound shrapnel shells, the contract prices for machining and assembling have ranged all the way from \$5 each down to \$3 each.

For the 18-pound shrapnel shells, large early contracts at as high as \$5.15 each later ranged down

to \$3.80, \$3.75, \$3.15 and finally got down to the possibly reasonable price of \$2.90 each.

For the 18-pound high-explosive shells, the first price of \$5.70 was later lowered to \$4.00, to \$3.25 and finally to \$3.00.

For the assembling of the 4.5" Howitzer shells, prices ranged from \$6.70 down to \$6.

For the machining and assembling of 60-pound high-explosive shells the price was \$6.95.

Some Estimates of Actual Cost.

In contrast with these contract prices are the careful cost findings which have been published by newspapers which have used the results of investigations by experts, to say nothing of the cold-blooded statements of actual manufacturing costs issued by certain corporations which sought to get capital interested and pointed to the large profits they were making and expected to make from War contracts.

Thus we find that the 18-pound shrapnel shell, for which the Shell Committee let contracts at prices varying from \$5.15 down to \$2.90, represented a manufacturing cost of \$1.80 at the outside. Much lower estimates of this cost have been published, some as low as \$1.

The 4.5" shell, for which the Shell Committee made the Imperial Government pay from \$6.70 down to \$6, it is stated could be turned out at a fair profit for \$2.25. A similar spread between contract price and a fair profit-yielding price has been quoted on the other types and sizes, and the whole situation is probably fairly summarized by the Ottawa Citizen when it charges that on the whole of the shell contracts let by the Dominion Shell Committee, the Mother Country has been forced to pay "about double" the reasonable profit-yielding price.

A Misleading Statement.

In an attempt to justify the outrageously high prices which ruled when the Dominion Shell Committee let its first contracts, statements have been published in the Conservative press as emanating from the Shell Committee, the Minister of Militia and other government sources, declaring that the first orders were only for 200,000 shells which the British War Office had asked from Canada as an experiment. As an excuse for the high prices allowed it is claimed that there was difficulty in getting the manufacturers to enter upon the business at all, and that it was difficult to determine what was a reasonable price. Only a month ago, the *Canadian Manufacturer*, the official organ of the Canadian Manufacturers' Association reiterated this argument and declared that "the price authorized for the initial order of 200,000 shells was reduced for subsequent orders."

Enormous Orders to Their Own Companies.

An analysis of information at hand as to the orders secured by various shell manufacturers

seems to prove conclusively that the Shell Committee paid the top-notch price for a great many more than the alleged 200,000. In the matter of the 18-pound shrapnel shells alone, reliable information indicates that Chairman Bertram's own firm at Dundas received an order for at least 50,000 of these shells at the top price; the Universal Tool & Steel Company of Toronto, known as a Mackenzie and Mann concern, and its sister company, the Canada Foundry Company of Toronto, with which Mr. Watts of the Shell Committee was directly connected, got orders for between 75,000 and 100,000 shells at the top price, while the Electric Steel and Metal Company of Welland, with its own Mr. Carnegie on the Shell Committee, took an order for at least 50,000 at the first price. Thus it is plain that three members of the Shell Committee saw that the companies in which they were interested got orders at the original top price for much more than the 200,000 shells which are declared to have been the limit of the first order.

Big Orders at Top Prices.

But this is not all. The Dominion Bridge Company of Montreal got an order for at least 150,000 at the same time and price; the Canadian General Electric Company of Toronto got its slice in the shape of an order for at least 40,000 at the top price; the Canadian Westinghouse Company got a similar contract for at least 40,000; the Manufacturing and Construction Company of Toronto was awarded an order for at least another 100,000 and the Massey-Harris Company of Toronto got in with an order for at least 75,000.

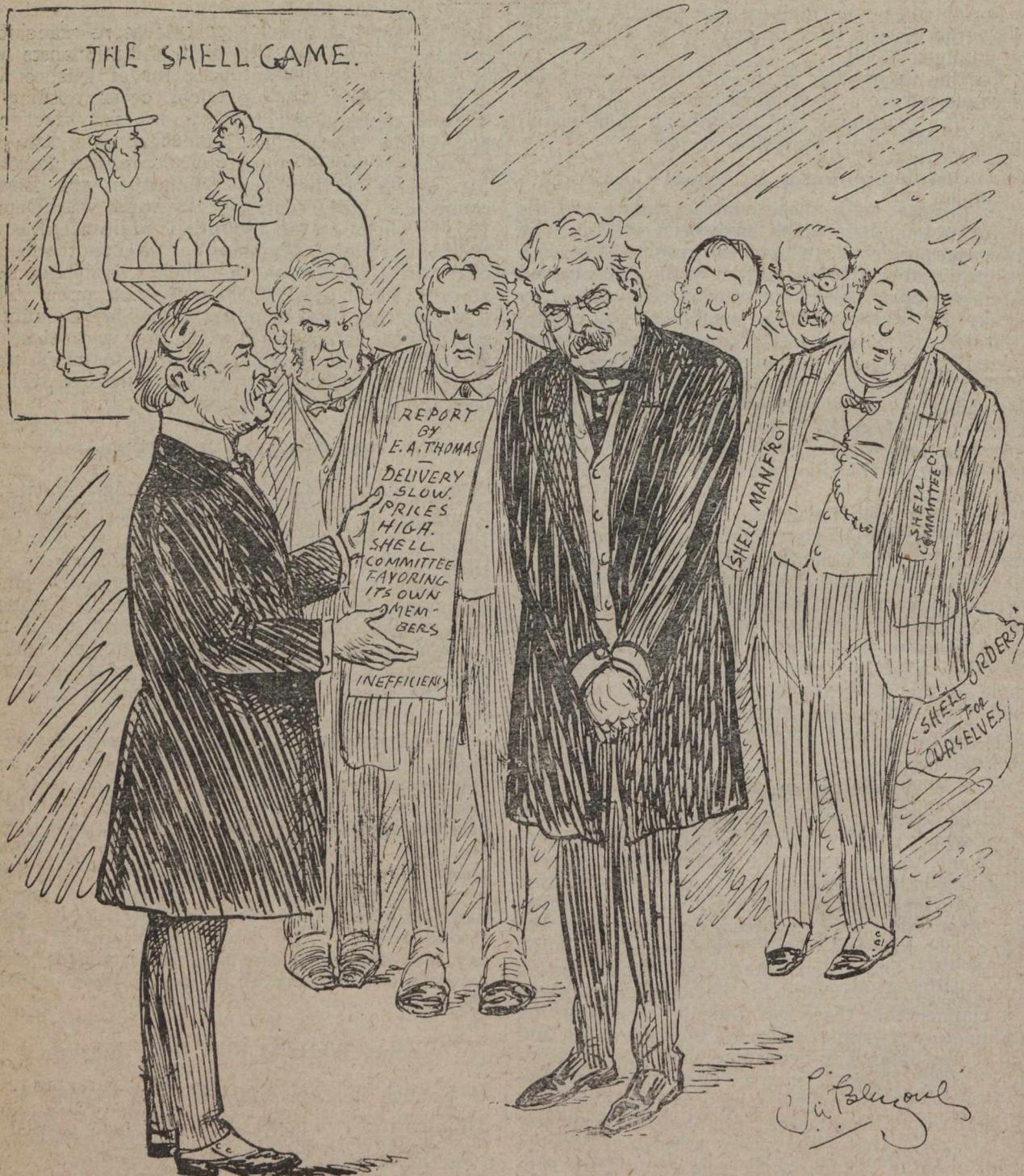
Thus it will be seen that some seven or eight firms were given orders for at least 600,000 shells at the first top price, and yet those interested seek to delude the public by official statements that the first orders and the first high prices applied only to 200,000 shells. As a matter of fact the orders listed above do not include the number of smaller firms which succeeded in getting in on a "good thing," and which it is quite safe to say, got orders at the top-notch prices which would swell the total by more than another 100,000.

Facts Warrant Full Investigation.

Enough has been said here to indicate in no uncertain way that the activities of the Dominion Shell Committee should be thoroughly investigated. It is the business of Canada to know how and why and by whom such a condition of affairs could be allowed to come into being and exist for a whole year until the Imperial authorities themselves had to take a hand and at least suggest a process of housecleaning.

**STILL MORE GOVERNMENT HONORS FOR BOURASSA NATIONALISTS!—
MR. ALBERT SEVIGNY, M.P. TO BE SPEAKER OF THE HOUSE OF COMMONS!
WHEN WILL THE CONSERVATIVE DEBT TO NATIONALISM BE PAID IN FULL.**

TRIED AND FOUND WANTING



RT. HON. LLOYD GEORGE—I'm sorry, Sir Robert, but we have given your Committee a Year's Trial, and there must be a Change.

Ottawa heard Britain's call, not for men only, but for munitions Ottawa's answer to Britain's call was the SHELL COMMITTEE.

"The Shell Committee was acting on behalf of Sir Robert Borden just as Sir Robert Borden was acting on behalf of the Canadian people. The Shell Committee was not the steward of Canada's money—it was the steward of Canada's honor. . . . The most devil-like qualities of the race are a stench in the rotting presence of the contract-grabbing brood of carrion crows that infest Ottawa, eager to plunder Britain and disgrace Canada with their greed. (Extracts from Toronto Telegram, Conservative, Nov. 27, 1915.)

QUEBEC AND THE WAR

TORY newspapers of Ontario and Conservative politicians who have for months past been seeking to make political capital by traducing the people of the province of Quebec and misrepresenting the part they have taken and are taking in connection with the War, were answered in their own province by Hon. Rodolphe Lemieux, former Postmaster General, when he spoke at Toronto, November 27th, under the auspices of the Women's Liberal Association. In the course of his able speech, Hon. Mr. Lemieux entirely combatted the unfair statements and showed by statistics that the French-Canadians of Quebec are doing their full share and taking their full part of the responsibility cast upon the people of Canada by the struggle in Europe, adding that it was necessary only to look at the lists of Canadian killed and wounded to discover how many Canadians of French descent were enrolled. As to the activities of the general public in patriotic work, he declared that there was not a hamlet in the whole of Quebec that was not doing its share for the Red Cross, the Patriotic Fund, the Belgian Relief Fund, etc. Herewith are quotations from the address of Hon. Mr. Lemieux:

Canadians All.

"I speak as a French-Canadian—no, let us not put it that way—I speak as a Canadian of French descent. Is not that better? We are all Canadians together; men and women of different national and racial descent it is true, but Canadians all, eager, all of us, to do our full and privileged share in this time of stress for the Empire of which we are all a proud part."

Where Is Laurier?

Tracing the circumstances which created the state of mind that exists among some of the Quebec habitants, Hon. Mr. Lemieux related an incident which took place in Montreal on the eve of the emergency War Session in August, 1914. A good friend of his, who had left the ranks of the Liberal party in 1911 on the ground that reciprocity meant annexation and the Canadian Navy meant separation from the Empire, rushed excitedly into his office. "Where is Sir Wilfrid Laurier?" cried the friend. "Laurier should be here exhorting the French-Canadians to enlist. The English-speaking people of Canada expect him to live up to his great reputation." Mr. Lemieux replied "Sir Wilfrid stands to-day where he stood yesterday. What he says and what he does will be said and done not for one section of the country but for the whole of Canada. If it is necessary for him to tell his fellow-countrymen what their duty is in the present War, rest assured he will not hesitate."

And then Mr. Lemieux, amid great laughter and cheers proceeded "I was cruel enough to add: 'How comes it that Laurier the Annexationist, Laurier the Separatist, should be so urgently needed by you to preach the gospel of loyalty, after you saved the flag by defeating him?'"

The Real Trouble In Quebec.

The friend had forgotten, continued Mr. Lemieux, that the Conservative party with which he had allied

himself in 1911 had for party reasons made itself the ally and supporter of the Nationalists who campaigned the back concessions of Quebec with the declaration that Canada owed nothing to Britain. Twenty-seven out of sixty-five constituencies had listened to that appeal. Three of the men who made those appeals, Messrs. Pelletier, Nantel and Coderre, were then in the Borden cabinet and another, Mr. Blondin, was Deputy Speaker. **The task before patriots like Sir Wilfrid Laurier in Quebec was to undo the work, the only work, which landed these men in the cabinet.** One of the most embarrassing and discouraging things about the whole situation in Quebec was that, with the sole exception, the honorable and noble exception, of Hon. Mr. Casgrain, every member of the Dominion cabinet from Quebec since 1911 had been a follower of Henri Bourassa and an expounder of the latter's "damnable doctrines." Mr. Lemieux quoted from the speeches of Messrs. Pelletier, Nantel, Coderre, Blondin, Patenaudé and Sevigny to prove his point. "No German could say more than these men have done" was his scornful comment.

Tory Money to Mislead the Habitants.

Referring to the assistance and encouragement from high Conservative quarters which lent strength to the Bourassa campaign in 1911 and in the preceding by-elections, Mr. Lemieux quoted particularly that part of the Nationalist doctrine promulgated by Bourassa in his newspaper *Le Devoir*, "To spurn any attempt at recruiting for British troops." Said Mr. Lemieux; "Please mark the words 'to spurn any attempt at recruiting for British troops,' you who have been inclined to find fault with the showing of Quebec. **Remember that Mr. Bourassa himself stated that the money paid to *Le Devoir* for circulation among thousands of electors in rural Quebec was paid in by one of the most prominent members of the Conservative party. That prominent member was Sir Herbert Ames.**

"This is not romance. These are facts. Good loyal Imperial Tory money paid to educate the habitant of Quebec along such lines! That is what we have to undo.

"It ill becomes the *Toronto News*, which at one time spoke of Bourassa as 'one who spoke like a man inspired,' whose 'words and sentences glowed like coals of fire,' to now speak in disparaging terms of Quebec's contribution to the War, when we know it supported the political party which carried on that kind of campaign in Quebec."

It was true, said Mr. Lemieux, that as Sir George Foster maintained in Parliament, the Conservatives had dominated their Nationalist allies and had absorbed them into the party. "Who won?" Sir George had asked of the House, "Who won?"

"My answer to that is," added Mr. Lemieux, "duplicity won and Canada lost!"

In conclusion, Mr. Lemieux declared that it was sentiment created in this way and at that time which had alone caused uneasiness concerning Quebec, but the mass of public sentiment was sound and sane.

EXTRAVAGANCES—DEFICIT—TAXES

Reckless Methods in Dominion Lands, Immigration and Indian Departments.

WHEN hard times hit the big business and manufacturing institutions of Canada long before the outbreak of War these institutions applied common business principles to the unwelcome situation and curtailed their expenditures. Thus they maintained, as far as possible, the safe equilibrium between receipts and expenses, between revenue and the cost of securing that revenue. A notable instance is to be found in the case of the C.P.R., which in spite of a falling off of \$31,000,000 in gross revenue in the last year was able to declare the usual yearly dividend because, as Sir Thomas Shaughnessy stated at the annual meeting, "a saving had been made in working expenses representing a substantial offset to the loss in gross revenue."

The biggest business institution in Canada is the Dominion Government. No other institution in the country should have had so complete a knowledge of conditions, and as a matter of fact none did have so many warnings of the coming of hard times nor so many undeniable proofs of these conditions when they arrived. But when other business institutions were applying business principles and methods to meet the new conditions, the Borden government disregarded the signs of the times. Instead of curtailing expenditures to fit revenues that were falling so fast, the Government persisted in its policy of increased spending, so that the official records of the past four years actually show that as revenues decreased expenditures increased. "The smaller the revenue, the larger the expenditure" is a business maxim which the Borden Nationalist-Conservative government may adopt as its own; it is not likely to be copied.

Dominion Lands Department.

How utterly without excuse is the policy of the government in this regard is well illustrated in the record of the administration of Dominion Lands since 1911.

The revenue from Dominion Lands dropped from \$3,775,852 in 1912 to \$2,996,271 (estimated) in 1915, a decrease of \$779,581.

The number of homestead entries decreased in corresponding ratio, from 44,499 in 1911 to 31,829 in 1914.

In the same period expenditures on the Dominion Lands Department increased from \$2,277,099 in 1912, to \$3,475,079 (voted) in 1915, an increase of \$1,200,000 in expenditure in face of falling revenues.

Thus, while revenue and business of the department fell away 27 per cent, expenditure increased 52 per cent.

In 1912 there was a surplus of revenue over expenditure of \$1,498,753. In 1913 the surplus had dwindled to \$939,403. In 1914 there was an actual deficit of \$250,450 (the first deficit in the department since 1880). For 1915 the deficit is estimated at over \$520,000.

That expenditures since 1911 have increased regularly from year to year, while revenues have correspondingly decreased will be seen from the following official government figures:

	Revenue	Expenditures
1912	\$3,775,852	\$2,277,099
1913	3,402,026	2,462,623
1914	3,036,030	3,286,480
1915 (Est.)	2,996,271 (Voted)	3,475,079

Business Decreases, Cost Increases.

The official figures of homestead entries prove conclusively that the actual work of the department must have been decreasing. In 1911 the entries numbered 44,479; in 1912 they dropped to 39,651; in 1913 there was a further drop to 33,699 and a still lower mark was recorded in 1914 with 31,829. It is well known that for 1915 there will be shown a still greater drop, and despite this fact the amount voted for expenditure by this department is considerably greater than even in 1914:

In 1913-14 homestead fees were \$19,643 less than in 1912-13; pre-emption fees decreased by \$24,280; purchased homesteads fees dropped \$3,080; pre-emption sales fell away to the extent of \$249,027 and purchased homestead sales were \$35,648 less; general sales dropped \$67,056 and timber dues were \$85,373 less than the previous year. In fact the net decrease in the revenue of the department amounted to \$334,197. And in face of this the expenditure for 1913-14 was nearly a million dollars greater than for 1912-13. These are the official figures from the government's own official documents. Can they be explained away?

With diminished settlement, diminished homesteading, and with large areas homesteaded or pre-empted in former years being patented and thus no longer needing agencies and inspectors, expenditures continue to increase. There is only one explanation. Land agencies and inspectorates are being maintained where they are no longer needed; agents, inspectors and officials of all kinds have been multiplied in number without any justification in the work to be done. And this has been simply because the patronage system demanded that jobs must be given to the hungry horde who were supposed to have earned them by their political activities in 1911, and who will be expected to "deliver the goods" again when election time comes.

Dominion Immigration Department.

Equally startling is the record of the Immigration Department. Not only has the number of arriving immigrants fallen away but the total yearly cost of running the department has increased to such an extent that whereas the cost in 1910-11 was \$3.47 for each immigrant, for 1914-15 it is officially estimated at \$14.77 per immigrant. The whole story is told in the following official figures:

	Expenditure	No. of Immigrants	Per Capita Cost.
1910-11	\$1,079,129	311,084	\$ 3.47
1911-12	1,364,999	354,257	3.35
1912-13	1,427,111	402,432	3.54
1913-14	1,893,297	348,878	4.92
1914-15 (Voted)	2,138,800	144,789	14.77

Here is another case when even imagination must fail in endeavoring to find an excuse for adding half a million dollars to the expenditure in 1914-15, when in that year immigration fell off as compared with the preceding year by nearly two-thirds. It is well known that at the present time there is practically no immigration at all, and yet the vote for this department for the year 1915-16, passed at the last session, is even greater than for 1914-15.

Department of Indian Affairs.

This department is about the last in the whole scheme of government in which any increase in administrative cost could be expected or justified, but even here the reckless propensities of the spenders had to be given full sway by the Borden government. It is the duty of the Department of Indian Affairs to look after Indians who are not self-supporting. It is the essence of that work that the Indians should be helped to become self-supporting, and this results in a steady decrease in the number requiring Government care.

The records of the Indian Department show that the expenditures since 1881 have been about as uniform as the statistics of the numbers of the Indians. In 1881 the expenditure amounted to \$1,183,414. In 1911 it had increased to only \$1,756,565, and this increase was largely accounted for by the fact that a number of new tribes were taken into treaty in 1908.

But in 1913-14, when the Borden government had got properly into its spending stride, the Indian department was made responsible for spendings amounting to \$2,182,470, and in 1914-15 this looked so small to the government, even although the Indian statistics showed a smaller population in treaty, that the amount voted was \$2,829,573. In other words, the expenditure of 1911 had been almost doubled in 1915, although the official Indian population shows no increase in numbers.

As a matter of fact, the administration of the Indian department, despite the fact that the Indians are decreasing and that more and more of them are becoming self-supporting as the years go by, has been increased in every province. In Nova Scotia, where there are only 2,000 Indians, the expenditure on them has been increased 75 per cent in two or three years and the justification for such an increase it is impossible to find. In two years this department dismissed 135 employees and replaced them with 295. It is plain that unnecessary offices have been created, not for the good of the Indians but to supply more jobs for men on the patronage "waiting lists."

TAXES FOR WAR ONLY?

THE specific statement by members of the British Cabinet that the new import duties on certain commodities shipped into Great Britain are a temporary measure, only for the duration of the War, serves to recall that no such undertaking has been given by the Borden Government.

When Hon. W. T. White brought down his budget at the last session and announced the infamous horizontal increase of 7½% in the general tariff and the even more indefensible increase of 5% in the tariff on British manufactures it was at once noticed that he gave no undertaking that the increase was for War purpose only or that it would be discontinued when the War was over. He was flatly challenged to give such an undertaking. Mr. J. G. Turriff (Assiniboia) on February 24th, 1915, (Hansard, Page 430) in the course of the budget debate said:

"The Minister of Finance is putting on these extra duties. But will he take off these duties and put the tariff back where it was as soon as the War is over? He will do nothing of the kind. When the War is over the argument will be: We have created vested interests, you cannot now take off this protection, for it would mean failure among the manufacturers."

To this challenge Mr. White made no reply of any kind and no other member of the Government ever gave any undertaking.

British Tariff for War Only.

When Hon. Mr. McKenna, Chancellor of the Exchequer in the Coalition Government introduced his last budget and announced special import taxes on a number of commodities, it was charged that Unionist members of the Coalition had succeeded in inserting the thin edge of the wedge of Tariff Reform. The answer was specific.

Mr. Montagu, Financial Secretary of the Treasury, declared in the House of Commons, October 13th, 1915. "I have only to repeat that they (import duties) are intended as purely temporary measures."

Mr. Bonar Law, Unionist and Tariff Reformer, on September 29th, made the case equally clear and explicit, when he said, "Duties of this kind would never be continued under any circumstances when the War was over."

The Chancellor of the Exchequer, speaking on the same day threw new light on the object of the import duties, and his statement is of special interest in Canada. He said "He proposed the tax not on fiscal grounds, but on economic grounds. Revenue would be derived from it, but it would also materially limit the import of expensive articles from abroad and restrict expenditures in this country, which for the time being must be regarded as useless."

Surely no straighter argument could be found against Mr. White's plea that his horizontal increase in all Canadian import duties was designed only for the purpose of increasing revenues.

CANADA'S RETURNED HEROES

WHEN his duties as Canada's war lord give him unlimited opportunity to appear in the spectacular limelight of public display, with bands playing, people cheering and a whole Empire gazing with admiration, Major-General Sir Sam Hughes is usually to be found on the job as personal director, clad in his bravest regimentals, and with a special place reserved for the newspaper correspondents. Every little detail of arrangement is then worthy of his own special attention. When the drab side of the results of War requires attention, Sir Sam is probably too busily engaged otherwise to apply his much advertised efficiency methods. The thought is prompted by repeated reports and charges, which refuse to down even in the face of vague official denials, that Canadian soldiers, returned from the front because wounds and sickness have rendered them unfit for further service, have received anything but proper treatment from the time they leave English hospitals until they are finally discharged to their homes in Canada.

Wounded Men in the Steerage.

Many months ago when the first Canadian wounded returned home, the Toronto Telegram drew public attention to the fact that they came across the Atlantic in the steerage, and asked pointedly if this was the best that the Government and people of Canada could do for them. The hint apparently went unheeded. **Since Canadian wounded have in the past two months begun to return in their scores and hundreds on every ship from England, the protests against the treatment they have been subjected to has grown in volume until it has become a disgrace and a humiliation to the people of Canada. Unfortunately it must also have had its effect on recruiting.**

Colonist Cars and Bare Boards.

It was on November 23rd that the true state of affairs came to public knowledge with shocking directness when Toronto newspapers printed verbatim the comment of Lieut-Col. F. W. Marlow, Director of Medical Services in the Militia Department after his experiences with a large number of men just returned from English hospitals. He was reported as saying:

"I feel that I owe these men an apology for the kind of conveyance in which they were brought here—colonist cars with bare boards. We had to hurry around at Quebec and get some straw mattresses and blankets for the cars. I don't mind criticizing the Government or anybody else in a matter like this. These cars were the rolling stock of a Government railroad. As a medical officer I will not stand for that sort of treatment of the men."

Sir Sam's Callous Comment.

Just here it may be noticed that when press correspondents brought the matter to the attention of Major-General Sir Sam Hughes at Ottawa, he replied with characteristic nonchalance that the complaint came from "one or two unimportant

people in Toronto," and proceeded to put the blame for the complaints on "a few of the men who are no good, who will sell their overcoats and then appeal to some soft-hearted committee of charity and abuse the Government."

Startling Charges at Montreal.

It was on the same day that Sir Sam gave vent to this cynical condemnation of wounded Canadian soldiers that the Montreal Star, a staunch Conservative organ, printed a three-column article based on interviews with wounded men who had just arrived at Montreal from Quebec. These men complained of:—

Scanty and irregular meals at the Discharge Depot, Quebec.

That they received no money for over a week after reaching Quebec, during which they were quite penniless.

That they were kept at Quebec in quarters in which the beds were dirty and infested with vermin.

That on the trip by train from Quebec to Montreal they received nothing to eat from breakfast time until they arrived at Montreal after 7 P.M.

Sir Sam Hughes was at Toronto the next day and the story from Montreal was told to him. Again he repeated his callous and cynical insult to the wounded men. "Show me a grouching returned soldier and I will show you a man who has pawned his overcoat," Sir Sam is reported to have said.

At Winnipeg, as the result of rumors heard there as well as the complaints made in the east, the Manitoba Free Press made an investigation among the returned men. They were found to be reluctant to give information, and only men of undoubted worth and more than ordinary intelligence were quoted. In the hope that their experiences, if brought to public attention, might result in better treatment for men to follow them, these men gave the following information:

Kept from Friends and Relatives.

After leaving the hospital in England and getting into a convalescent home, the first shock the British-born Canadian soldier receives is to find that he is absolutely denied permission to visit friends or relatives in Great Britain. One case was cited in which a man whose wife and children had moved back to England was not allowed to go to them, but was forced to board a steamer to Canada, and on arrival at Quebec had to pay his own passage back to Liverpool in order to rejoin his family. Several cases of this kind were well authenticated.

Without Proper Winter Clothing.

On leaving England for Canada the men were not given proper warm clothing, although they were coming to Canada in winter.

At no time before arriving in Winnipeg were the men given a change of socks or underwear, and many arrived in bitter western weather so lightly clad that members of a public reception committee had to keep the men at the station while others

went uptown to "rustle" overcoats and warm underwear.

Hardships on the Ocean.

These men were all compelled to travel in the steerage, and although many were in very delicate health and very badly clothed, they were forced to go on deck in all kinds of weather for two hours every day while their ill-ventilated quarters were being cleaned and aired. It was charged that many men who were seriously sick asked for permission to remain below and this was curtly refused.

On the boat they were given \$10 and at Quebec another similar amount. At Quebec they were given the option of accepting a cheap suit of clothes or receiving \$13 instead of the suit when they reached their military headquarters. Practically without exception the men described the clothes as shoddy and so poor looking that they would be ashamed to be seen in them on the street.

Penniless, Awaiting Pay.

Arrived at Winnipeg, many of the men destined for points further west found themselves without funds to pay for accommodation in Winnipeg while waiting for their discharge pay, and owing to red-tape delays they had to wait several days for this pay, depending in the meantime on the charity of the people of Winnipeg. Some of the men, anxious to get to their families, actually had to proceed home without their pay, and without a cent to take home with them.

We have but briefly reviewed a few of the complaints that seem to show an incompetence and red-tape carelessness that should disgust every decent Canadian. If these indicate all that the Government of Canada is prepared to do for the men who have fought and bled for Canada and the Empire, it is about time that the public became aware of all the facts.

HORSE BUYING IN ONTARIO

GOVERNMENT purchasing of war horses in Ontario was attended with most of the evils proved some time ago in Nova Scotia according to revelations before the Davidson Commission which sat at Toronto and Brampton for four days, commencing December 1st. Backed up by a letter of recommendation from the Militia Department to the government horse buyers, Mr. James R. Fallis, Conservative M.P.P. for Peel County succeeded in making for himself a thoroughly watertight monopoly in the selling of horses in the county of Peel, which yielded large profits for himself and his partner. Mr. Fallis admitted in evidence that he had gone to Ottawa and secured from the Militia Department the letter which gave him the inside track, and also readily admitted that so far as he knew, every one of the 362 horses bought by the government in the county for the first contingent passed through his hands and yielded him profit. He took E. J. Jones of Brampton, a horse dealer, into partnership, and later on had himself appointed government buyer of horses.

There was plenty of evidence to show that all sorts of unfit and aged horses were palmed off on the government buyers, also that horses rejected by the buyers at other places were readily accepted in Peel when brought along, even at higher prices, by Mr. Fallis and his partner. Horses were "doctored" and fixed up to make them look worth the prices asked, one at least was "painted" to make him look young and smart, while among those that passed without question at the prices asked by Mr. Fallis were the spavined, the balky, the lazy, the winded and others suffering from most of the ills that horseflesh is heir to as it gets old.

Sold Horses before Buying Them.

Fortified with his letter from the Militia Department, Mr. Fallis was able to make profits without

any chance of losses. He admitted that he did not have to take chances, because he never paid the farmers for their horses until they had obligingly been passed by the government inspectors. When they were passed he sold them to the government at his price and paid the farmers at a price fixed before. This "open and shut" monopoly method Mr. Fallis freely admitted and vigorously defended. Answering the somewhat mild censure of Sir Charles Davidson, he declared that he "had a perfect right to do as he did" and that it "was his business and it was legitimate business." As an apparently honest admission of the true Tory attitude toward patronage profits for the party man who knows how to get on "the inside," the attitude of Mr. Fallis was frankly illuminating. When Sir Charles Davidson suggested that the government could have purchased the horses direct from the farmers, Mr. Fallis said the horses were wanted in a hurry, and that once they were passed he purchased them from the farmers.

Farmer Got Less, Government Paid More.

"So the farmer got less and the Government paid more for them as a result of your intervention" commented Sir Charles. Mr. Fallis answered: "My business is the live stock business; I had a perfect right to what I did."

Later on Sir Charles said he would like to give Mr. Fallis the fullest opportunity to explain why he stepped in "between the government purchaser and the farmer and made a profit of \$3,000" but Mr. Fallis had nothing more to say than that he thought he had a perfect right. When it was suggested by the counsel for the commission that he had sold the horses before he bought them, Mr. Fallis was cynically frank. He said: "No sir, I raised the prices before I sold them."

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DIARY OF THE MONTH

1915.

November.

- 2 **HON. W. T. WHITE** at Canadian Club, Montreal.
- 3 **KINGS, (P.E.I.) CONSERVATIVES**, convention at Georgetown, nominate **JAMES A. McISAAC** of Charlottetown, replacing A. L. Fraser, former candidate appointed County Court Judge.
- 4 **HON. GEO. P. GRAHAM, W. B. NORTHRUP, M.P.**, and **MAJOR SHARPE, M.P.**, at recruiting meeting, Oshawa, Ont.
Liberal reception to Senator L. O. David and Hon. Jeremie Decarie, Provincial Secretary, at Maisonneuve, addressed by **HON. RODOLPHE LEMIEUX, SENATOR DANDURAND** and others.
- 6 **JACQUES CARTIER, (Montreal, Que.) LIBERALS**, convention at Lachine, nominate **D. A. LaFORTUNE, M.P.**, sitting member for Montcalm. Convention addressed by **HON. R. LEMIEUX**.
- SOUTH BRANT, (Ont.) Reform Association**, annual meeting at Brantford, followed by patriotic mass meeting, addressed by **F. F. PARDEE, M.P.**, and others.
- 7 **CONSERVATIVE** demonstration in honor of **HON. E. L. PATE-NAUDE** at St. Isidore, Que.
HON. ROBERT ROGERS at recruiting meeting, Winnipeg.
HON. W. T. WHITE, HON. J. D. HAZEN and others at recruiting meetings in Toronto.
- 8 **SENATOR WILLIAM MACKAY, M.D.**, died at Reserve, N.S.
HON. T. C. CASGRAIN, Postmaster-General, at Conservative Banquet at Montmorency Falls, Que.
- 9 **SIR SAM HUGHES** at Toronto Khaki Day Demonstration, Toronto.
- 10 **HON. W. T. WHITE** and **HON. CHARLES MARCIL** at recruiting meeting, Ottawa.
HON. ROBERT ROGERS meets delegation from Canadian Council of Agriculture at Winnipeg, demanding Free Wheat. Mr. Rogers says he has "an open mind" on the subject.
SIR GEORGE FOSTER at annual meeting of Ward 4, Conservative Association, Toronto.
- 12 **HON. ROBERT ROGERS** at patriotic meeting, Lethbridge, Alta.
SIR GEORGE FOSTER at annual meeting of Ward 3, Conservative Association, Toronto.
- 14 **HON. GEO. P. GRAHAM** at recruiting meeting, Renfrew, Ont.
HON. P. E. BLONDIN at Grand Mere, Que., on "Quebec and the War."

1915

November

- 18 **JAMES REID, M.P.**, (Liberal) (Restigouche, N.B.) died at Charlo, N.B.
SIR GEORGE FOSTER at patriotic meeting, St. John, N.B.
Ward 6, Toronto, Liberal Association, annual meeting addressed by **W. M. German, M.P.** (Welland).
Ward 2, Toronto, Conservative Association, annual meeting.
- 19 **HON. GEO. P. GRAHAM** at Canadian Club, Welland, patriotic address on "Canada Yesterday, Today and Tomorrow."
FIRST ANNUAL CONFERENCE of Federation of Liberal Clubs of Dundas County (Ont.) at Chesterville, followed by patriotic mass meeting addressed by prominent Liberals.
- 20 **HON. P. E. BLONDIN** and **HON. E. L. PATENAUE** at patriotic demonstration at Valleyfield, Que.
- 22 Subscriptions opened for Canadian War Loan of \$50,000,000.
HON. E. L. PATENAUE guest at Conservative Banquet, Montreal.
HON. RODOLPHE LEMIEUX, address before Nomads' Club, Montreal, on "Japan and Canadian Trade with Japan."
- 23 **HON. GEO. P. GRAHAM** at recruiting meeting, North Bay, Ont.
HON. ROBERT ROGERS, address to Manitoba Good Roads Association on "Canada after the War."
- 24 Federation of Liberal Clubs of Montreal, annual meeting.
- 26 London (Ont.), Conservative Association, annual meeting.
GENERAL REFORM ASSOCIATION OF ONTARIO, annual meeting at Toronto.
- 27 **HON. RODOLPHE LEMIEUX** at Toronto, under auspices of Women's Liberal Association, on "Quebec and the War."
- 28 **HON. RODOLPHE LEMIEUX, SIR GEORGE FOSTER** and others at recruiting meetings, Toronto.
- 30 Formal announcement of resignation of old Dominion Shell Committee and appointment of new **IMPERIAL MUNITIONS BOARD**, consisting of Sir Sam Hughes, (Honorary President), J. W. Flavelle, Toronto (Chairman), General Alex. Bertram, (Deputy Chairman), Hon. Col. David Carnegie, Ottawa, G. H. Dawson, Victoria, B.C., C. B. Gordon, Montreal, J. A. Vaillancourt, Montreal, and E. R. Wood, Toronto.

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