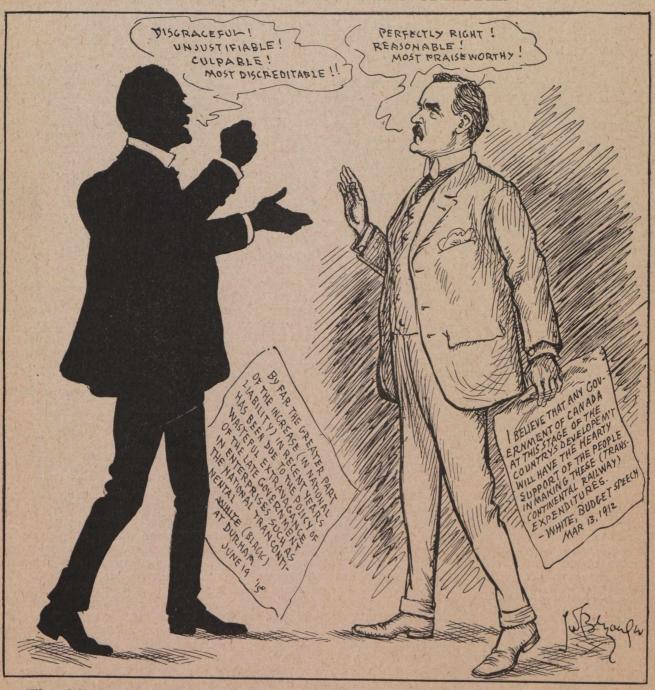
THE CANADIAN LIBERAL MONTHLY

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Ten Cents

DR. BLACK AND MR. WHITE.



The Minister of Finance Changes His Role and His Speech to fit His Own and His Party's Dire Need.

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WHAT HAPPENED TO CANADIAN WAR HORSES?

T can be stated on undeniably authentic authority that of the 8,562 war horses assembled at Valcartier last autumn for shipment to England, only 6,700 were landed in England in fit condition for service. Of course 481 are known to have been sold by auction at Quebec for a song previous to the movement across the Atlantic and it is equally well known that a considerable number had to be destroyed by the knacker's hammer at Valcartier because they were too far gone to be even saleable. Others disappeared and have not yet been accounted for. Some light on what happened to the others that did not find service across the seas may be found in the records of the British House of Commons. The following is an exact extract from the official Hansard of the British House, March 10, 1915, page 1406:

Slaughter House for Canadian Horses.

Mr. RENDALL asked the Under Secretary of State for War whether he is aware that the Remount Department of the War Office have for some time sanctioned a slaughter-house for horses in a wooden building alongside the main road from Avonmouth to Shirehampton; whether he is aware that the stench from the carcasses of the dead horses is continuous and penetrates a considerable distance, and makes the use of the road and foot-path impossible without breathing an atmosphere which is dangerous to health; whether he is aware that there has been an epidemic of throat complaints at Avonmouth, especially among the school children who have to pass and repass within a foot or two of the slaughter-house daily; and can he arrange for the removal of the slaughter-house to a spot much further removed from the public foot-path and highway?

Mr. TENNANT: The Slaughter-house referred to, which is a temporary structure, had to be erected near a good road with as little delay as possible for the reception of horses destroyed on disembarkation from Canada. It is 150 yards away from the nearest dwelling house, and every effort is being made to keep it sanitary. Arrangements are in progress for building a road to a more suitable situation some distance from the main road.

DELAYED EQUIPMENT.

LEADERS of the Liberal Monthly will recall that in the May number there was reproduced an article from the Ottawa Free Press of May 11th which flatly and with great detail charged the Dominion Government with grave and unwarranted delay in the supplying of proper equipment for the Canadian soldiers then on the other side of the Atlantic or still undergoing training in Canada. Shortly after, Conservative papers in all parts of Canada published articles, obviously inspired by the Government, in which it was vehemently denied that there was any delay of any kind. They also made spacious excuses for the Government by giving harrowing pictures of the magnitude of the

task and the great difficulties in the way.

One of the most serious delays charged in the Free Press article was in connection with the supply of 150 motor trucks for the second contingent which has since gone to England and is now understood to be at Shornecliffe. It stated that these trucks were wanted and were requisitioned as far back as last November, but that "owing to differences in the Government over accepting the lowest approved tender the trucks were not ordered until January and are not yet ready to go forward, owing to an order for a two-ton body being placed in Canada when the trucks were three-ton vehicles." This was among the items of delay specifically denied by many Government newspapers.

Giving evidence before the War Contracts Investigation by Sir Charles Davidson on July 7th. Mr. T. A. Russell of Toronto, who acted for the Government in purchasing trucks for the first contingent, made the amazing sworn statement that the trucks for the second contingent, referred to above were still in Ottawa. His evidence was quoted by the Ottawa Journal (Cons.) as follows: "The second contingent is in England, but the mechanical transport has not left Ottawa yet

and is not able to leave Ottawa."

There has been no denial of this sworn evidence.

WHAT PREMIER BORDEN COULD DO.

NE man can put Canada where she ought to be. One man, by a brief, frank patriotic statement, can bring a united daughter Dominion in line with the Mother Country. One man can atone for the political atmosphere the actions of his Government have created when all should have been harmony and co-operation. One man can make a united Canada where none is for the party and all are for the State. One man can stop the circulation of soldiers' ballots. One man can stop the Printing Bureau running night and day, turning out voters' lists. That man is Premier Borden. A patriotic declaration from him that there is to be no war-time political election this year will stay all unseemly partisan activities at a time when all should be actively united to prosecute Canada's and the Empire's cause. Is Premier Borden big enough, is he man enough, is he patriot enough to make that statement? If not, we must all go our course, and the people must judge as to his responsibility.

THE MANITOBA SCANDAL.

THE Royal Commission at Winnipeg, enquiring into the Parliament Buildings contract scandals, practically completed the hearing of evidence early in the present month. At the time of writing the Commission is awaiting the result of efforts to force Thomas Kelly, head of the contracting firm, to appear and give evidence. Kelly slipped across the boundary to his summer cottage in Minnesota at the first hint that he might be forced to appear and the latest news from him is that he has instructed his counsel to apply for an injunction to prevent the Commission from compelling him to give evidence. Kelly's defence for this action is that it would not be fair to compel him to give evidence before an inquisitorial commission while he is threatened with a civil action for the recovery of the moneys he is alleged to have received by fraudulent connivance with the late Roblin government. It is therefore likely that some legal procedure will be necessary before it is known whether Kelly can be forced to appear.

The course of the amazing revelations before the Commission were recorded in the Liberal Monthly for June up to the hearings at Minneapolis when V. W. Horwood, late Provincial Architect, told his story implicating several members of the late government. The chief developments since then are appended in chronological order, and it will be seen that this later evidence proved in its won way quite as sensational as any that had gone before. The intimate connection of Hon. Robert Rogers with much of the whole affair was plainly shown.

Telegrams Destroyed By Order.

June 14.—The Commission resumed the taking of evidence in Winnipeg. S. Goldstein, manager of the G.N.W. Telegraph Company appeared and explained that he could not produce copies of telegrams wanted, which were supposed to include messages between members of the Roblin government and Dr. R. M. Simpson, also messages to or from Hon. Robert Rogers. The reason given was that the copies had been destroyed on orders received from the Head Office at Toronto the day before the subponea to produce these copies was served.

June 15.—Manager of C.P.R. Telegraphs pro-

June 15.—Manager of C.P.R. Telegraphs produced to Commission copies of all telegrams according to subpoena.

June 16.—M. G. Hook told of being given \$10,000 to take to Salt at Denver, but which he said was taken from him by robbers in a "hold-up" at Omaha. He swore the money was given to him by Horwood, the Provincial Architect, on April 8, and that he understood this was the money Salt demanded as pay for staying away from Manitoba. Hook also said that after returning from Omaha he had told Sir Rodmond Roblin about what had happened and "the old man" told him not to worry about the money.

June 18-18.—Hon. G. R. Coldwell former Acting Minister of Public Works, implicated in the evidence of Architect Horwood, denied all the evidence of Horwood and blamed Horwood for all irregularities.

June 22.—J. Padington, district superintendent of G.N.W. Telegraphs, testified that acting on

instructions from Toronto on June 10, he quietly entered the offices of the company at midnight and destroyed all messages asked for by the Commission. Previous to this the messages had been taken off the files and on June 7 were handed to M. H. Macleod, General Manager of the Canadian Northern Railway, who returned them.

A Warning to Rogers.

June 23.—Hon. G. R. Coldwell, recalled, declared that Horwood and Salt has perjured themselves in evidence given at Minneapolis and again denied all knowledge or complicity in frauds. Mr. Coldwell admitted authenticity of telegram which he had sent to Hon. Robert Rogers at Ottawa on April 1st "This means more to you than appears on the surface. Would advise you to take measures to protect." He claimed that the telegram referred only to Dominion political matters, but later admitted that it included reference to Manitoba provincial affairs.

June 24.—Hon. J. H. Howden, former Attorney General, gave general denial of all knowledge of wrongdoing, but admitted that Dr. R. M. Simpson, President of the Winnipeg Conservative Association had given him \$1,500 to retain a lawyer to act personally for Horwood. This was after Horwood had gone away to the United States.

June 25.—Hon. Dr. Montague, former Minister of Public Works, examined in his quarters at the Royal Alexandra hotel because of ill-health, gave evidence in which he defended Kelly, the contractor, and insisted that he knew of nothing wrong in connection with Kelly's contracts. On Monday, June 28, Dr. Montague continued his evidence, denying all statements by Horwood which affected the witness.

June 29.—Harry Whitla, K.C. of Winnipeg, Conservative candidate in South Winnipeg at the last elections, told of having been retained to act for Horwood; also that he obtained from Dr. R. M. Simpson the sum of \$10,000 which he gave to the Pinkerton Detective Agency to be given to Salt to keep Salt away from Winnipeg. M. H. Macleod, General Manager of the Canadian Northern said he had secured copies of telegrams from the G.N.W. Company and gave them to Edward Anderson, K.C. Mr. Anderson testified that he had received the telegrams and had shown them to Hon. Robert Rogers of Ottawa, who wished to "refresh his memory" as to what was in them. These were the telegrams later destroyed.

Asked Rogers to Help.

June 30.—Sir Rodmond Roblin gave general denial knowledge or complicity, similar to that given by other ex-ministers. He admitted having telegraphed to Hon. Robert Rogers at Ottawa asking the latter to make arrangements with Sir William Mackenzie, President of the Great Northern, whereby Sir William would send F. H. Phippen, chief legal adviser of Mackenzie & Mann, to Winnipeg to represent Kelly before the Commission. Later he admitted that he had sent several telegrams before it was finally arranged that Phippen should come.

STILL ANOTHER EXCUSE.

R EPORTS in a number of Conservative newspapers of June 19 of a speech by Hon. W. T. White at Durham, Ont., on the previous day, credit the Minister of Finance with many statements that hardly bear close scrutiny. One in particular may be noticed, not only because it is new but because it illustrates to a nicety the facility with which Hon. Mr. White can change his arguments, if not his opinions, and how readily he can find some way of twisting any fact or circumstance whatever in order to make platform capital against the Liberal Party of Canada. The Minister of Finance is reported to have declared that "by his foolish railway policy Sir Wilfrid Laurier was responsible for the Canadian real estate inflation and collapse."

Undoubtedly this would be a good argument for Mr. White if he could prove its truth. Unfortunately for Mr. White, he can not prove it, and quite as unfortunately for whatever reputation for candor and good faith he may bear, it can be disproved out of his own mouth. All that is necessary is to quote from the first budget speech of the Minister of Finance in the House of Commons on March 13, 1912, some five months after he had been called to the Borden Cabinet. (Hansard 1912, page 5011). In those five months Canada had not yet begun to feel the loss of the triumphant prosperity which accompanied fifteen years of Liberal rule, and so we find Hon. Mr. White saying:

When Canada was Prosperous.

"It will, as I have said before, be gratifying to all that the material prosperity with which we have been so highly favored still continues to be our portion. Despite the serious vicissitudes through which the western wheat crop has passed and the unusual heat experienced in the Province of Ontario during the past summer, the field crops of Canada show a bountiful yield, and with the high prices prevailing for practically all its products, the great basic industry of agriculture continues in a flourishing condition. Almost every department of trade and commerce shows expansion. Our mines are wonderfully productive. Our coast fisheries, notably the Atlantic, have enjoyed a good catch and high prices. Our manufactures are thriving and new industries are springing up throughout the whole Dominion. Railway construction, especially in the West, proceeds apace, preparing a way for settlements in districts not yet opened up and for trade with other markets than we now enjoy. Our increased bank deposits clearings and circulation, the amount of private and public building evidenced in municipal and business structures, extensions to manufacturing plants and residences in almost every part of the country, all attest that the general prosperity of Canada at the present time is very great. Our Dominion continues to be the land of hope and promise to the homeseeker. During the last year, as before shown, our immigration from Europe and the United States reached an average of nearly a thousand a day, bringing their capital, their intelligence and their energy to assist in the great task of developing the resources of Canada and building up her nationality. Notwithstanding the large stream of immigration, labor conditions are good and extreme poverty from any reason other than incapacity or direct misfortune, is hardly known.

"Under the favorable conditions which I have described, and with every prospect for their continuance, the future of Canada looks bright indeed. In the enjoyment of peace, plenty and prosperity, her energetic, loyal and patriotic people look forward with hope and expectation to an ever great and greater future."

Generous—and also Extravagant.

Thus spoke the Hon. Mr. White in 1912, five months after the Conservatives, with the help of the Nationalists, won the elections of September, 1911. Canada was still prosperous with the pros-perity that had come surely and steadily during fifteen years of Liberal government, and Mr. White was quite content to recognize this prosperity, to glory in it and even to appropriate to the government of which he had become a member the duty of maintaining it. So confident was he that it would continue that he saw no reason why he should not admit it, even if the admitting of it meant that he must give the credit to the late Liberal government. At that time Mr. White felt that he could afford to be generous. Judging by his later actions he also felt that he could afford to be extravagant, for the Government of which he is the purse bearer launched out into the ruinous programme of spending which has landed the country in its present condition. And Mr. White, not daring to shoulder the blame for these conditions which he must share in even greater proportion than any other member of the Borden government, does the only thing left for him to do-blames it on the Liberals.

When Mr. White thus publicly gloried in the prosperity of Canada, he had been five months in office and had had ample opportunity of making very sure that what he said was the absolute truth. It was not very much later that he must have seen the first signals of approaching bad weather—stagnating trade and falling revenues, decreasing immigration and increasing unemployment. But his wild career of extravagant spending was increased rather than curtailed and for two years he has now been faced with the necessity of making explanations instead of exulting in announcements of continued prosperity. Lacking explanations that explain, he swallows his own words of 1912, and blames it on the Liberals.

EXTRACTS FROM SPEECHES OF HON. R. LEMIEUX AND HON. G. P. GRAHAM.

Sir Wilfrid-The Youngest Liberal.

"If you hear anybody say that the great chief of the Liberal party is getting old don't believe it. He may be getting old by arithmetic, but that is the only way. He is the youngest Liberal in the Dominion of Canada, so far as fight is concerned. His health is alright, and we expect to see him at the next opportunity the people have, returned to that first place in the affairs of the nation, to which he proplerly belongs with his great ability."—Hon. Geo. P. Graham at Ormstown, Que., July 3.

Reasons for Liberal Criticism.

"Let us not deceive ourselves. This increase in the customs duties is the result of a compromise dating from September, 1911. At this time, with the excessive cost of living, the Borden Government would not have dared to fulfill the imprudent promises of increased protective duties which it made to its numerous friends in the excitement attending the victory of 1911. The Cabinet waited and war came, and then under the pretext of an emergency it increased the duties which were already far too high. And what shall we say about expenditures? And should we remain silent regarding the contracts for military supplies when from all parts of the country, from Vancouver to Valcartier, proof comes of systematic graft organized by agents and dishonest employees? There is truce and truce. In a national crisis I am quite willing to help the Cabinet to carry the War on to a successful conclusion, but the Cabinet which takes advantage of the War to help its own political interests shows disloyalty and inevitably provokes reprisals. This is the reason why the Liberal party criticized, although with great moderation, the system of taxation; this is why the Liberal party criticized a little more strongly, as it was proper it should, the increases in expenditures and the numerous scandals in military supplies."—Hon. Rodolphe Lemieux, at Rigaud, Que., June 13.

Truce Met by Treachery.

"The day following the declaration of war in August, 1914, Sir Wilfrid Laurier, the oldest of our statesmen, generously declared a political truce. For a few weeks afterward we had the illusion of a Parliament united on all questions—on the essential question of the War—but soon after this illusion appeared to give place to a different reality. Apparently the herculean task of recruiting the Canadian contingents, of organizing the national defence, was not sufficient. The country was to be thrown into the turmoil of a general election. We are told that Sir Robert Borden was a stranger to this political plot. But it is certain that without the veto of the Governor General, this shameful exploitation of the jingo feeling of Canada would have actually taken place."—Hon. Rodolphe Lemieux, at Rigaud, Que., June 13.

Spoiling the British Preference.

"It has been said that the success of the Allies largely depends upon Great Britain keeping her industries going. It is as necessary to keep the smoke-stacks smoking as it is to keep the guns booming. The industries of Great Britain must be kept going because she is financing herself, us, and several of the other Allies. That being the case, was it the time to tamper with the tariff to raise it

against British trade?

"We borrowed \$150,000,000 from the Motherland for the War and on this we pay 4 per cent, or about \$6,000,000 annually. Our trade last year with Great Britain was \$133,000,000. We have raised the barrier against that \$133,000,000 five per cent, or a total of \$6,500,000 annually. In other words we say to the Motherland, 'Oh, we bubble all over with loyalty, we admit it, we talk about it, we use the flag upon every possible occasion for fear we might forget it, but what we are really doing to you, Great Britain, is we are taking \$150,000,000 of your money, for which we pay you \$6,000,000 with one hand, and with the other hand we are taking from you \$6,500,000 as a tribute on your trade."—Hon. Geo. P. Graham, at Ormstown, Que., July 3.

Forced to "Keep Our Powder Dry."

"To the horror of some of us, a few weeks later, we discovered that while we were passing that fifty million dollars unanimously, our friends of the Conservative party were at that very time printing

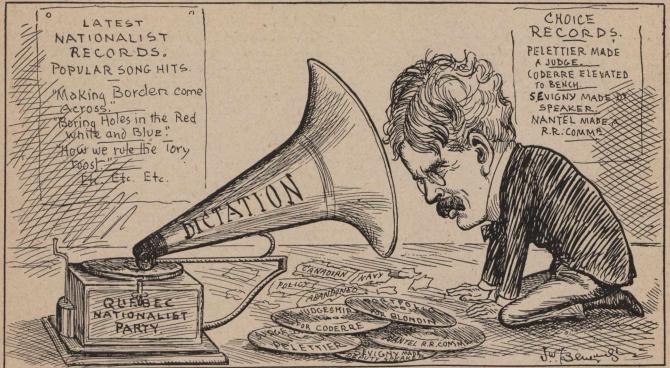
and circulating campaign literature.

"Now when we discovered that we were being taken advantage of, it was so manifestly unfair that we could not continue to accept such treatment lying down. We said plainly that this was no time for an election, and we didn't want it, but we said that if the Government imagine that the Liberals will sit still while the Conservatives made preparations for a campaign in October, they are vastly mistaken in their men. From that day to this they have been quietly preparing for the election. They have twice been on the eve of bringing it on and so far as Ontario is concerned, we shall keep our powder dry until the Prime Minister himself says there will be no election. An election is not of our seeking, but when we see the Finance Minister as well as the Solicitor-General and other members of the Government continue to misrepresent the attitude of Sir Wilfrid Laurier, we would be less than men, we would be recreant in our duty, not only as men but as members of the great Liberal party, if we did not defend our conduct and our aims, and tell the people of Canada and the people of the British Empire as well, what our attitude is.

"I submit that the attitude of the Liberal party in Canada towards this War is just as loyal as the attitude of the Conservative party, upon this and every question. It is not our desire to be in an electoral conflict at this time, but we do not propose to be caught napping."—Hon. Geo. P. Graham, at

Ormstown, Que., July 3.

HIS MASTER'S VOICE



Premier Borden has once more heard the crack of the Quebec Nationalist whip. According to leading Nationalist-Conservative papers he will listen and obey just as readily as he has done ever since he became Premier of Canada. This time it is Hon. Louis Coderre, Secretary of State and Minister of Mines, who is to be "elevated" to the judiciary, making way for a new Minister, who of course must be a Quebec Nationalist. The shuffle was scheduled to take place some weeks ago but trouble was experienced in satisfying all the Nationalists in the choice of the new man. Final action has been postponed until the Premier returns from Europe.

A MANITOBA RED HERRING.

MANITOBA developed a fresh sensation on June 21 when rumors reflecting on the new Norris government took definite shape and specific charges were made before the Royal Commission on the parliament buildings scandal by C. P. Fullerton, a Conservative lawyer acting for 14 Conservative members of the Manitoba Legislature. Quite contrary to the expectations and hopes of those who formulated and launched the charges, the Norris government took prompt action and at once appointed a special Royal Commission. All the witnesses that could be produced by Mr. Fullerton were heard, and at the time of writing the Commission has finished taking evidence and awaits only the argument of the lawyers on each side before making its report. While comment on the matter would be unfair until the Commission has published its findings it may be said that the evidence indicates that the attempt to discredit members of the new Norris Government failed utterly and the patent purpose of drawing a "red herring" across the trail of the amazing disclosures of Tory graft in connection with the parliament buildings ended in complete failure. The finding of the Commission will be published in the Liberal Monthly when available; in the meantime a short summary of the affair will suffice.

WOULD BE DESPISED IN ENGLAND.

"THE participation of Canada in the great European war eclipses all political questions. These are only of secondary interest. Sir Wilfrid Laurier, our venerable chief, faithful to the engagement made last August, has restrained himself from all discussion that would hamper the action of the Government. But when our soldiers were crossing the ocean to go to the battle fields of the Allied armies, when they were falling the victims of their heroism on the Plains of Flanders, the Minister of Public Works and Minister of Elections, Hon. Robert Rogers, was preparing his election batteries. England and France are employing all their energies to hold the German hordes till they are ready to strike the great blow, and it is at this solemn hour that the Canadian Government would forget its duty and throw the country into the turmoil of an election. In England they have rebuilt the Cabinet, the time of Parliament has been extended and the only occupation of statesmen is to bring the War to a successful end, and if a Minister over there played the part of Mr. Rogers and Mr. Meighen or Mr. White, they would be despised by their countrymen."

The Hon. Rodolphe Lemieux, at Ormstown, Que., July 3.

THE WAR CONTRACTS INVESTIGATION.

SIR CHARLES R CHARLES DAVIDSON, special commissioner appointed by the Borden Government to make an enquiry into all matters connected with government war contracts, opened his court at Ottawa on June 24th. It is understood that after clearing up such cases as can be heard to advantage at Ottawa, the commission will move from place to place where witnesses can be got together with the least trouble. Sir Charles is being assisted by Mr. John Thompson, K.C. of Ottawa, as counsel to the commission. The results of the enquiry in its first few days have been such as to entirely prove the necessity for much further investigation than was possible before the Public Accounts Committee at the last session of Parliament, and equally they have borne testimony to the service rendered to the country by the Liberal members who forced the enquiry before that committee.

Garland Confesses and Resigns.

The outstanding event of the early work of the Commission was the final proof that W. F. Garland, Conservative M.P. for Carleton had personally received the exhorbitant profits made by E. Powell on contracts for drugs and field dressings. This led to a full confession by Garland himself, accompanied by the significant statement that he had returned \$6,300 of his ill-gotten gains after being advised "by some leading members of the government to get that money back if I could." On June 28th, Mr. Garland formally resigned his seat in Parliament and on July 1st, he announced publicly his retirement from political life.

Mr. John Fraser, Auditor General, was the first witness called on June 24th. His evidence was short, covering his reports and findings on the contracts of Powell for drugs and field dressings, of T. A. Brownlee of Ottawa for drugs and clinical thermometers in respect of which Mr. Fraser said he had found prices giving Brownlee a profit of 100%, and of Mackenzie & Co. of Ottawa for nurses' uniforms as to which he had been informed that

the prices were unduly high.

On June 25th, W. J. Shaver, Canadian agent for Bauer & Black of Chicago, manufacturers of surgical dressings, was examined at length and repeated in effect all the evidence he had given before the Public Accounts Committee, swearing positively once more that he had got to the Militia Department through the assistance and direction of W. F. Garland and that he had been plainly given to understand by Col. Jones, medical director general of militia contracts, that his firm (Bauer & Black) could not do business direct with the Government. The only new ground broken by Mr. Shaver was his testimony that before he left for Chicago with the order in the name of Powell, he was furnished with a letter from an Ottawa bank certifying that Powell's credit would be good for orders up to \$30,000. Mr. Shaver once more made it quite clear that Garland, while busy securing the order,

did not wish his name or the name of his firm to appear in the transaction. Powell's examination was commenced on the same day but did not at the time reveal anything of importance not told before

the Public Accounts Committee.

On June 28th, Powell was examined further and after persistent questioning by Mr. Thompson and warnings by the commissioner himself, finally broke down and admitted that he had paid to Garland cheques for large sums out of the profits of the transaction. He had given Garland twelve cheques at different times, amounting to about \$6,300. Later on, after the investigation had commenced, Garland returned these amounts by various cheques to Powell, who deposited them. Then, on instructions from Garland, he drew a cheque for \$6,300 to be returned to the Militia Department.

Garland Makes Full Confession.

W. F. Garland was then called and after some preliminary evidence, admitted fully that he had received from Powell cheques for various sums out of the profits on the transaction, which he afterward returned to Powell to be re-deposited in Powell's name. He did this and directed Powell to draw a cheque for \$6,300 to be returned to the Militia Department, "after being advised by some leading members of the government to get that money back if I could." This was while the investigation of the Public Accounts Committee was in progress. On the same day, J. L. Rochester of Ottawa, formerly in the drug business, gave expert evidence on the prices charged by Powell, in which he showed that the profit amounted to \$8,708.72, or 29%. He held that this was not an unfair profit. On the following day, June 29, Garland was recalled and testified that he had paid Powell nothing for his trouble "because the transaction was never closed up." Powell was then recalled and asked if he had been influenced by anyone to give evidence before the Public Accounts Committee which was at variance with the facts. Powell answered "No." This closed the Powell-Garland case before the commission. It developed afterward that Garland wrote his resignation as Federal member for the County of Carleton on June 28, but its receipt by the Speaker of the House was not publicly announced for some days.

Birkett and Binoculars.

Examination of witnesses in connection with the sale of binoculars to the Militia Department by T. M. Birkett Jr. of Ottawa, who trades in the name of The Keystone Supply Co., commenced on June 28, when Alex. Taylor, shown to be a salesman in the employ of Birkett, told of preliminary arrangements leading to the securing of the order and the subsequent search for glasses to fill the order secured.

On June 29, T. M. Birkett Jr. took the stand. He had got his contract from the P. W. Ellis Company, which was acting for the Militia Department, the contract being for 400 pairs of binoculars. He had secured only 166 pairs, 120 of which he turned over to the Ellis company at \$52 each, and 46 at \$48. These glasses were secured through Sam Bilsky, an Ottawa jeweller, and were delivered to Col. Hurdman of the Militia Department. Mr. Birkett admitted readily that he was a hardware merchant and knew nothing at all of binoculars. He had told the Ellis company that he could secure glasses by specified makers and of the specified power, but admitted to the commission that the glasses actually secured included a number of other makes, but that they passed the Government inspection "without any trouble."

Knew Binoculars were Inferior.

At the outset of his evidence, Mr. Birkett admitted that he knew the binoculars or field-glasses were for the use of the Canadian army and also that he had never seen nor handled the glasses himself; in fact he would not know one make from another and had never had a binocular in his hand. He admitted that the glasses supplied were not according to specifications and that they were inferior, but held that "if they were not satisfactory they could have been rejected. Ellis & Co. were in the thing in a big way and if they had been properly interested they could have had their agent personally inspect them." Evidence given by Bilsky and others in the Birkett case was similar to that given before the Public Accounts Committee, Bilsky again swearing positively that he had been told that \$2 per glass was to be given to Col. Hurdman, the Government inspector. Bilsky objected to this arrangement and had the specification of \$2 per glass for "incidentals" struck out of the agreement which he signed with Birkett and Taylor. Birkett denied this and declared that he had never made nor intended to make any attempt to bribe Col. Hurdman.

Birkett Offers Restitution.

On July 5, Birkett through his counsel, submitted to the Commission a statement in which he admitted that while the evidence of M. C. Ellis had shown that the binoculars supplied by Birkett were satisfactory for use by Canadian officers in the War, the prices paid for them were unduly high. He therefore, tendered a cheque for \$1,000 to the Commissioner, out of which he asked that the Commission take any amount which it might assess as the overcharge. He did this without admitting any fraud or deceit on his part. Sir Charles Davidson indicated that the Militia Department was the proper authority to specify what the restitution should be. Giving evidence on June 30, Mr. Matthew Ellis of Toronto, whose firm acted for the Minister of Militia in supervising the securing of all glasses, estimated that the profits made by Birkett on the 166 glasses amounted to \$2,552 on a cost of \$5,896, a profit of 44 per cent. He also testified that his own firm had supplied to the Government at \$20 a pair, glasses the same as those for which Birkett charged \$52. He also declared that Birkett's invoices came through the department, certified correct, at greater speed than any other invoices he knew of.

How to get Orders.

The evidence of W. J. Browne, real estate agent of Ottawa, who secured a good order but only succeeded in finding and supplying to the Government 9 glasses, showed plainly the workings of the Tory patronage system in War orders. Browne swore that the first idea of getting in on the business came from an Ottawa man named Tradburks who said the department wanted binoculars and that he could get the glasses if Browne could use his influence with the Government to secure the order. Browne accordingly went to A. E. Fripp, M.P., Conservative member for Ottawa and got from Fripp a letter to the Minister of Militia who then referred Browne to Col. Hurdman who in turn referred Browne to the Ellis Co., from whom he got the order.

Browne endeavored to get the glasses in New York with the help of Sam. Bilsky of Ottawa, but they fell out over the dividing of the profits and he came back with only 9 glasses, which cost him \$206 and which he turned over to the Ellis representative for \$497. Browne told of going afterward to the office of Col. Hurdman with a cheque for \$30 in favor of Col. Hurdman, which he slipped under the blotter pad on the latter's desk. He had done this. he said, because he thought Col. Hurdman was entitled to something for his trouble. This was on September 23, 1914. On December 7, Browne was told by his bookkeeper that the cheque to Col. Hurdman had never been cashed. He then went to Col. Hurdman's office and the latter told him that he had never seen the cheque and knew nothing of it. Browne looked under the blotting pad and found the cheque still there. Hurdman then refused to accept it. This evidence was corroborated by Col. Hurdman who declared that he had known nothing of the cheque and would not accept it.

Hon. Geo. E. Foster Responsible for Huge Loss.

Matthew C. Ellis of the Ellis Company, Toronto, gave evidence on June 30, much along the lines of his statements before the Public Accounts Committee. He told at length of the efforts made to secure a large supply of glasses in the United States, and broke new and somewhat sensational ground when he declared that on September 30, 1914, he was able to secure from the firm of Bausch & Lomb an option for 1200 glasses at very low prices. Mr. Ellis said "I thought the prices so favorable that I sent our agent Mr. Masson to Ottawa to communicate it to the authorities, and I told the Government that for these glasses in one large order we would not expect to have the 10 per cent commission we were allowed by our contract with the Government for the glasses we gathered in the United States and Canada." Mr. Ellis went on record that these glasses were offered to the Director General of Contracts, Mr. Brown, who referred Mr. Masson to Sir George Foster who was at that time on the Government sub-committee for the purchase of war supplies. Mr. Masson reported that Sir George declined to accept the 1200 glasses under this option.

Mr. Ellis declared that had Sir George Foster accepted the benefit of the prices under the option referred to, the country would have been saved \$25,000.

Mackenzie Uniform Contract.

Enquiry into the contract of the Mackenzie Co., Ltd. of Ottawa for nurses' uniforms, mentioned by the Auditor General in his preliminary evidence, took place on July 5. Mr. J. A. Mackenzie, head of the firm, produced books and other records showing that while it was quite true that in order to get the order filled in the specified time he had got other firms to assist in the work, his total profit on the order was less than 10 per cent. His evidence was accepted by the commission as ample proof that there was no need for further investigation in this case.

Brownlee Drug Contracts.

Contracts for hospital drug boxes and other goods supplied by T. W. Brownlee, druggist of Ottawa, were investigated on July 6. The evidence of H. W. Brown, Director of Contracts, showed that Brownlee was first given orders for hospital boxes without tenders having been called. On these boxes, which Brownlee afterward admitted he had not personally handled, delivery being direct from the wholesale drug houses to the Government, Brownlee charged prices which gave him profits of from 48% to 50%. Thus for a box which cost \$216.50 at the wholesale house, Brownlee received from the Govern-\$325; other sizes of box at other prices were charged for in proportion. When tenders were called for later for other deliveries, Brownlee secured orders but his profit was only about 18% or 19%. Mr. Brown testified that he had questioned the prices charged by Brownlee on the first lot of boxes but had been assured by Major Jacques, assistant to the Medical Director of Contracts, that the prices were fair and just. Mr. Brownlee admitted the correctness of the figures quoted by the Director of Contracts. He testified that the total amount of his business with the Government was \$36,420, on which his gross profit was \$8,923, or over 24%. This was taking into consideration the \$500 returned to the department by him on February as overcharge on 1000 clinical thermometers for which he had charged \$1 each when the proper price should have been 50 cents. The refund was made the day after an enquiry in the House of Commons on February 10 last showed that the overcharge was known. Mr. Brownlee claimed that the charge of \$1 each for these thermometers was a mistake. Answering questions by the Commissioner, Mr. Brownlee admitted that on orders on which he did not have to tender he made a profit of between 49% and 50% while on goods on which he had to submit tenders in competition with other firms he had made only between 19% and 20%. Another significant admission was that he had supplied considerable quantities of goods to the Government prior to the War and that his profit on his total business for the year 1914 was only 14%.

The Housewives Contract.

Stewart McCleneghan, President of the Ottawa Conservative Association, and chief of the Ottawa firm known as The Two Macs, gave evidence on July 7 regarding the contract with his firm for 100,000 "Housewives." He was paid 53¾% cents each, or \$53,250 on which he figured his profit to

be \$10,342, or 25 per cent gross. He claimed that "overhead" expenses amounted to 16%, leaving a net profit of only 9%. J. A. McCann of the Militia Department gave evidence that the order had been given to Mr. McCleneghan without other tenders being called for.

Mr. Russell and Motor Trucks.

The enquiry into the purchase of motor trucks commenced on July 7 with the examination of T. A. Russell, general manager of the Russell Motor Car Co. of Toronto who gave evidence similar to that given before the Public Accounts Committee. He told of having come to Ottawa in August to sell motor trucks for his firm to the Government, when Major General Hughes explained that the department had no organization for buying motor transports and requested Russell to take charge of the job. Russell consented. He admitted that most of the trucks which he bought as agent for the Government were bought from his own company, but claimed that the prices were reasonable as could have been secured through any other agency or by the Government direct. He had simply acted as agent for the Government without commission. His company he explained, had previously held or had then secured the Canadian agency for American manufacturers able to furnish the trucks required. Sir Charles Davidson expressed himself as puzzled to understand the arrangement, particularly in view of Russell's statement that neither he nor his company nor J. H. McQuarrie, associated with Russell in the purchases and formerly a salesman for Russell, had been paid anything for their services.

Russell was Buyer, Seller and Adviser.

Sir Charles said "It seems a little incongruous; you were the agent of the Government, also did the buying; you were also the vendor and the certifying Russell declared that he had acted for the Government in buying from many firms, his own firm among them. In the course of his evidence, Russell explained that the trucks were bought without bodies, which were later bought in Canada. He had got nearly all the woodwork done by the Massey-Harris Company and his own company did only a little assembling and fitting up. The bodies cost him \$225 and he turned them over to the Government at \$270 each, making a total profit of \$5,670 on this item of 126 bodies which cost a total of \$34,020. The profit amounted to 16%. Sir Charles remarked that there was a sharp contrast in the way in which Russell had dealt with the original truck orders and the way in which he handled the order for the bodies. In response to further questions he admitted that practically all he had done had been to get designs for the bodies which were then made by the Massey-Harris Company, which moved Sir Charles to remark that Russell then had to practically meet an allegation that he had charged the Government \$5,670 for a specification. Mr. Russell then went on to enumerate a long list of articles furnished with the bodies, but the Commissioner commented "But you were paid for them separately and got a profit," to which Russell answered "Yes." Russell also gave evidence as to the purchase of touring cars and tires, also

bicycles. He admitted that after allowing 10 per cent for overhead charges, the Canada Cycle & Motor Company, which is a subsidiary branch of the Russell Motor Car Co., had made a profit of 24% on bicycles, 450 bicycles costing \$20,983 being sold to the Government for \$27,900.

Russell Discredits "Savings" by Thomas.

One of the most interesting passages in the evidence of Russell was with regard to the activities of Honorary Colonel W. O. Thomas, who later took charge of the purchasing job for Major General Hughes. Russell strongly objected to the claim of Thomas that he had saved \$180,000 on the purchase of trucks for the second contingent, claiming that Thomas had bought cheaper trucks. He also pointed out that although Thomas had been seven months on the job of securing the equipment for the second contingent which has been in England for several weeks, yet the mechanical transport for the second contingent is still in Ottawa, incomplete and not yet ready to be sent forward.

Major Thomas Insists He Is Right.

Major Thomas was examined July 12th. admitted the truth of Mr. Russell's statement that trucks for the second contingent had not yet been sent forward. He said the reason was that the wrong size bodies had been ordered. He had got a sample of the 2-ton size to show what they should be like, and did not discover for weeks afterward that the Militia Department had gone ahead and ordered 140 bodies of this size, when they should have been of the 3½ tone size. He claimed that even when he discovered this error himself, it took him months more to convince the department that the mistake had been made, and it was not until along in May that the new order for the proper size was given. On July 13, Major Thomas was questioned by Commissioner Davidson personally as to the statement made before the Public Accounts Committee that he had saved the country \$180,000 on the trucks purchased by him, in comparison with the prices paid by Russell.

"That statement of yours has startled me very much," said Sir Charles Davidson. "It betokens a looseness by those in connection with the first contingent that almost amounts to profligacy. It is a grievous assault on the business aptitude and altruist integrity of those connected with the first contingent."

Major Thomas replied: "It is the difference

between the retail and the wholesale price."

"Oh, no; do you leave your statement unqualified as before the Public Accounts Committee?" continued the Commissioner.

"Yes," answered Major Thomas.

Major Thomas testified that he had accepted the commission as purchasing agent for the Militia Department on a basis of $1\frac{1}{2}$ per cent on total purchases, and in so doing had given up a business in New York that was worth \$25,000 a year to him. He had done this because he believed it his duty to place his special knowledge of the business at the disposal of the Government.

HON. MR. WHITE'S "LEGACY" ARGUMENT.

In the death of Hon. Sam. Barker, member for Hamilton East, which occurred at his residence in Hamilton on June 26th, the news of which was received with deep regret by members of both sides of the House, the Conservative party lost a member who had for many years been recognized as the party's railway expert. The late Mr. Barker had made a deep study of all the railway problems of the country and was recognized in the House and in the party caucus as the chief Conservative authority on all matters pertaining to railway development. In view of the recent reiteration of the "ruinous legacy" argument of the Hon. W. T. White in his speech at Durham, Ont., on the occasion of the Conservative convention for South-East Grey, when the Minister of Finance declared that the building of the National Transcontinental Railway was "part of the policy of wasteful extravagance of the late Liberal Government," it may be of timely interest to recall what the late Mr. Barker had to day in this connection.

During the first session of the new Government, on February 14, 1912, during a debate on the Transcontinental, Mr. Barker said (vide Hansard, 1911-12,

page 3071)-

"If I understand the right hon. gentleman who leads the Opposition (Sir Wilfrid Laurier) aright, he is under the impression today that when this question was first opened in the country, there were a great many people who thought that the construction of the railway was not needed then, that it was pre-mature. I do not know just what my right hon. friend is referring to. If he says that many people thought at that time that there was no need for additional railway facilities for the transportation of the grain produce of the great Northwest to the ocean, then he is altogether outside the facts. was in the house at that time and I can vouch for the opinion of every member of the Conservative party; I venture to say there was not a man on the Conservative side who doubted for a moment the absolute need for another through railway at the earliest possible moment. There were in the Conservative party at that time members who were interested in other railways, some in the Canadian Pacific railway, and others in other roads, but everyone of them whether interested in the Canadian Pacific or not, agreed that another railway should be built, that the party should unanimously support any generous Liberal subsidy the government would propose to give, and that we should facilitate the construction of the road in every way. That is putting it according to what I know to have been the feeling then on the Conservative side; and so far as my knowledge and observation went, it was the opinion of every man of both sides of the House!"

Later on in the course of the same speech, Mr.

Barker said, (vide Hansard, page 3072):

"We have been charged with opposing the Transcontinental Railway, we never opposed that system at all."

A TWO-EDGED ARGUMENT.

COMMENTING on the now time-worn excuse of the Nationalist-Conservative government that the proved grafting and inefficiency in the purchase of war supplies in the early stages of the War were due to the unexpectedness of the call on the Militia Department, the Ottawa Citizen calls attention to the fact that this specious plea fails to jibe with another favorite argument of members of the Government in connection with the Navy policy and the opposition of the Liberals to a policy of contribution. The "emergency" cry is thus seen to give the lie to itself as used by the Borden apologists. The following is from the Citizen of July 8th:

Canadian Preparedness.

One outstanding fact in connection with the investigation now being held into the various contracts for militia supplies is the almost invariable plea put forward on behalf of the militia department and the government that the contracts were let in most, if not all cases, without tender because of the extreme necessity for haste. The country purchased horses without tender, medical dressings without tender, hospital supplies without competitive prices being asked, and a host of other articles in similar fashion—because there was no time to call for tenders. This, we think, is true. Passing over the entirely gratuitous information by officials of the militia department that prices in some of the cases under investigation were "fair and reasonable," it is obvious that the sudden call of the War trumpet found Canada unprepared to equip the number of men which the militia department was confident it could raise.

Granting the excuse that haste was imperative, what becomes of the claim made on numerous occasions by the organs of the administration and even by the prime minister himself that there was a well defined reason in administrative circles to believe that an emergency existed? We have been repeatedly assured also by such prominent publications as the National Review that the coming crisis was long ago appreciated in Britain. Is it possible that this information was not communicated to our government? And, finally, is it not suspiciously like a dereliction of national duty that our own administration, which now claims to have been aware of the urgent necessity for a contribution in ships and money to the British navy, deliberately neglected to provide for our land contribution to Imperial defence in the emergency it so clearly saw coming? There is no politics in asking these questions.

There is no politics in asking these questions. But there is the necessity of showing how one of the political parties is attempting to make capital out of the great conflict on the one hand and excuse itself by a reversal of the same plea on the other. How was it that the government, aware of an emergency, was anxious to help the empire in naval contributions and yet was absolutely neglectful of the equipment needed for our own forces, which, in the light of the South African war precedent, were certain to be offered on behalf of the empire when "the day" arrived?

MANUFACTURERS PLACE THE BLAME.

INTERFERENCE by politicians in the business of the Militia Department at Ottawa, as well as the alleged fact that the department was overworked and undermanned, is held by President Henderson of the Canadian Manufacturers' Association to be the real cause why Canadian war supplies did not come up to specifications. In his address at the annual meeting of the Association at Toronto on June 9th, President Henderson declared that it was not always fair to impugn the motives of the manufacturers supplying the goods complained of. He went on to say;

"The exacting demands of the Militia Department, in the matter of deliveries handicapped the contractors, and the department itself, taken un-

awares, was overworked and understaffed.

"To the pernicious influence the officers of the department were exposed and to the restrictions by which they were surrounded, does criticism properly attach. Any man upon whom the duty is laid of purchasing military equipment to meet an emergency ought first to be appointed on the sole ground of his qualifications for the position and ought then to be given a free hand to act in accordance with the dictates of his own judgment. But he cannot so act if the list of persons or firms with whom he shall negotiate is definitely prescribed for him; still less can he do so if he is required to pay heed to the promptings of those who have only political ends to serve."

This is President Henderson's rejoinder to the prolonged effort of the apologists of the Nationalist-Conservative party to put all the blame for war contract scandals on the shoulders of the manufacturers. Mr. Henderson simply makes a little plainer what has been fairly plain to the public all

along.

ANOTHER ABSURDITY.

EVER since the War broke out, the Dominion Department of Agriculture has been preaching to the farmer that the salvation of the country practically depends upon more production from the soil. Hon. W. T. White backed them up, and upon many platforms he actually raised the duty on fertilizers from 10% to 17½%. In one breath he tells the farmer to produce more, and in the next he makes it more difficult for him to produce. Mr. White should have known, what is common knowledge to thinking men, namely that the intelligent use of fertilizers is absolutely essential to increased productivity of the soil. When he saw the light, through Liberal criticism, he corrected the blunder by making fertilizers exempt from the 7½% War Tax. But he did not go far enough and thereby missed a great opportunity. Manifestly the proper course to have taken was to make fertilizers free. In no better way could a stimulus be given to the movement towards increased production from the soil.

DIARY OF THE MONTH.

1915. June.

- NORTH PERTH, (Ont.) CONSERVATIVES, annual meeting at Milverton, nominate the sitting member, H. B. MORPHY, M.P.
- DURHAM, (Ont.) LIBERALS, convention at Orono, complete organization for next election. Meeting addressed by HON. GEO. P. GRAHAM.

DAUPHIN, (Man.) LIBERALS, convention at Dauphin, unanimously nominate the sitting member, ROBERT CRUISE, M.P.

Appointment of HON. A. C. MacDONALD as LIEUTENANT-GOVERNOR of PRINCE EDWARD ISLAND, succeeding Lieut-Gov. McKinnon, term expired, is announced at Ottawa.

9 SOUTH-EAST GREY, (Ont.) (new constituency) LIBERALS, convention at Durham, nominate H. H. MILLER of Hanover, former M.P. for East Grey. Convention addressed by HON. G. P. GRAHAM.

SOUTH OXFORD, (Ont.) CONSERVATIVES, annual meeting at Ingersoll.

NORTH HURON, (Ont.) CONSERVATIVES, annual meeting at Wingham.

- 10 MUSKOKA, (Ont.) LIBERALS, convention at Bracebridge nominate Dr. D. J. McDONALD of Huntsville.
- 12 EAST MIDDLESEX, (Ont.) CONSERVATIVES, meeting at London, political address by HON. ARTHUR MEIGHEN, Solicitor General.
- 13 LIBRERAL DEMONSTRATION at Rigaud, Que., addressed by Hon. Rodolphe Lemieux, Gustave Boyer, M.P. (Vaudreuil) and A. Verville, M.P. (Maisonneuve).
- WEST LAMBTON, (Ont.) CONSERVATIVES, convention at Sarnia, nominate A. J. JOHNSON of Sarnia.

EAST PETERBORO, (Ont.) CONSERVATIVES, annual meeting and convention at Norwood, nominate the sitting member, J. A. SEX-SMITH, M.P.

- 17 NORTHUMBERLAND, (Ont.) (new riding) CONSERVATIVES, convention at Warkworth, nominate C. A. MUNSON, M.P., sitting member for West Northumberland.
- SOUTH-EAST GREY, (Ont.) CONSERVATIVES, convention at Durham, nominate R. J. BALL, M.P., sitting member for South Grey. HON. T. J. SPROULE, speaker of the House of Commons, announces his intention to retire. Convention addressed by HON. W. T. WHITE, Minister of Finance.
- 21 SOUTH SIMCOE, (Ont.) CONSERVATIVES, convention at Cookstown, nominate the sitting member, W. A. BOYS, M.P. Political address by HON. ARTHUR MEIGHEN, Solicitor General.
- 22 INVERNESS, (N.S.) LIBERALS, convention at Inverness, nominate the sitting member, A. W. CHISHOLM, M.P. Convention addressed by E. M. MacDONALD, M.P. (Pictou) and D. D. McKENZIE, M.P. (Cape Breton North).
- 24 SASKATCHEWAN LEGISLATURE PROROGUES.

INVESTIGATION of GOVERNMENT WAR CONTRACTS by Sir Charles Davidson opens at Ottawa.

- 26 HON. SAM. BARKER, Conservative member for East Hamilton, Ont., dies at his home in Hamilton.
- 28 PREMIER BORDEN, on eve of leaving for England, announces appointment of FEDERAL COMMISSION to enquire into methods for increased agricultural production, immigration, etc.

PREMIER BORDEN leaves Ottawa for England and announces that trip is for the purpose of conferring with the Imperial Authorities. He is accompanied by R. B. BENNETT, M.P. (Calgary).

- 28 W. F. GARLAND, M.P. Cons. (Carleton, Ont.), FORMALLY RESIGNS his seat in the Commons, following revelations before War Contracts Commission that he personally profited from Powell Contracts.
- 29 RED DEER, (Alta.) LIBERALS, convention at Red Deer, unanimously nominate the sitting member, MICHAEL CLARK, M.P.

MUSKOKA, (Ont.) CONSERVATIVES, convention at Brace-bridge, nominate W. WRIGHT, M.P., the sitting member.

BLAME IT ON THE WAR.

(A Nationalist-Conservative Governmental Song, rendered by the Full Strength of the Borden Cabinet)

This awful strife in Europe
We should be thankful for;
It gives us opportunity
To "blame it on the War."

So, acting like the cuttle-fish
Obscurity we pour
Into our Cabinet history,
And "blame it on the War."

The people must be made forget
We had hard times before
And we've done much to make them worse,
But, "blame it on the War."

The favored few are growing rich
The masses growing poor,
A most regretful circumstance,
But—"blame it on the War."

With favoritism, waste and graft Our record's black as tar, But humbug is an easy game, So—"blame it on the War."

Without the boom in war supplies

We'd been much worse off by far,
But go on shouting just the same,
And—"blame it on the War."

We've overdrawn our bank account
And squandered more and more
On crooked contracts, deals and schemes—
But—"blame it on the War."

Pile extra taxes on the backs
That were already sore,
And if there's any murmuring,
Why—"blame it on the War."

A mighty lucky thing for us
These lines of trenches are,
It gives us such a chance to hide
Our deeds behind the War.

* J. W. BENGOUGH.

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