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Comm. on the Administration of
the Canteen Fund and the
Disablement Fund, and the
Manufacture and Sale of Paper
Poppies.
Reports and proceedings...

DATE

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Canada. Parl. Senate. Special Comm.
on the Administration of the
Canteen Fund and the Disablement
Fund, and the Manufacture and
Sale of Paper Poppies.

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THE SENATE
STATE DEPARTMENT
SPECIAL COMMITTEE

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THE SENATE OF CANADA

REPORTS AND PROCEEDINGS

OF THE

SPECIAL COMMITTEE

APPOINTED TO INQUIRE INTO

THE ADMINISTRATION OF THE CANTEEN FUND AND
THE DISABLEMENT FUND, AND THE
MANUFACTURE AND SALE OF
PAPER POPPIES

The HON. N. A. BELCOURT, P.C., K.C.,
Chairman.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1925

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ORDER OF REFERENCE

EXTRACT from the Minutes of Proceedings of the Senate of Canada, Wednesday,
May 13, 1925

Ordered, That a Special Committee composed of the Honourable Messieurs: Belcourt, Black, Dandurand, Griesbach, Laird, Lougheed (Sir James), Macdonell, A. H., Pardee, Robinson, Ross (Moose Jaw), Sharpe and Turgeon, be appointed to inquire into all matters relating to or arising out of the following matters, viz.: The administration of the Canteen Fund and the Disablement Fund, and the uses to which advances from these funds have been put; the manufacture and sale of paper poppies by The Department of Soldiers' Civil Re-establishment and their resale by various ex-soldier organizations; and that the said Committee have power to send for persons, papers and records, and to examine witnesses under oath.

APPOINTMENT OF CHAIRMAN

EXTRACT from the Minutes of Proceedings of the Committee, Tuesday, May 19,
1925

On motion of the Honourable Mr. Black, the Honourable Mr. Belcourt was elected Chairman.

REPORT RE CANTEEN FUNDS

June 18, 1925.

The Special Committee appointed to enquire into all matters relating to, or arising out of the following matters, viz:—The administration of the Canteen Fund and the Disablement Fund, and the uses to which advances from these funds have been put, the manufacture and sale of paper poppies by the Department of Soldiers' Civil Re-establishment and the resale by various ex-soldier organizations, beg leave to make their Third report as follows:—

(1) The Canteen Fund would appear to stand at from \$2,300,000 to \$2,350,000.

(2) Your Committee find that under Order in Council, P.C. 2378, July 5, 1921, the sum of \$50,000 was paid to the Dominion Command of the Great War Veterans' Association in four payments as follows:—

On the passing of the Order in Council..	\$20,000
August 1, 1921..	10,000
September 1, 1921..	10,000
October 1, 1921..	10,000

Under Order in Council, P.C. 3887, October 12, 1921, the sum of \$120,000 was authorized to be paid to the Dominion Command of the Great War Veterans' Association and twenty-one other ex-service men's organizations. Of this amount, the Dominion Command of the Great War Veterans' Association received the following amounts:—

October 17, 1921..	\$10,000
November 1, 1921..	60,000
December 13, 1921..	10,000

(3) Under Order in Council, P.C. 2378, the money would appear to have been advanced to the Great War Veterans' Association from the Canteen Fund for the purpose of extending the scope and usefulness of that Association.

The trustees were required to supervise the expenditure and require the production of vouchers and other evidence as they may consider necessary.

(4) Under P.C. 3887, October 12, 1921, it is recited in the Order in Council, that there is danger of wide-spread unemployment which fact demands immediate attention, and that a grant from the Fund might properly be made for the purpose of dealing with such problems among ex-service men. The trustees were empowered to supervise all expenditure and require the production of vouchers.

(5) Evidence as to the manner in which other organizations had expended these sums of money was difficult to obtain in full. It appeared from such evidence as was put before the Committee, with respect to these other organizations, that a reasonable attempt was made to expend the money on unemployment relief. Such other organizations appear to have kept separate accounts and in some cases vouchers were submitted.

(6) In the case of moneys paid to the Great War Veterans' Association, amounting, as above mentioned, to the sum of \$130,000, it would appear that the whole of this sum was put into the general funds of the Dominion Command of the Great War Veterans' Association, and that the whole of the said amount was expended between the 1st of July, 1921, and the 31st of August, 1922. The said sum of money appears to have been used for the general purposes of the Dominion Command of the Great War Veterans' Association between these dates in the payment of such amounts and for such services as follows:—

The "Veteran" Limited..	\$46,000 00
Salaries..	36,653 29
Travelling expenses..	15,885 66
Loans to Provincial Commands..	11,200 00
Postage, telegrams and telephones..	5,241 79
Honorarium to R. B. Maxwell..	3,000 00
Convention expenses..	2,470 74
General expenses..	2,161 87

and other expenditures of a similar nature.

It would not appear that any portion of the said sum of \$130,000 had been spent on unemployment relief for ex-service men and their dependents.

(7) In addition to the sum of \$46,000 paid the *Veteran* as above set out under the caption of "Publicity and Propaganda"; the further sum of \$6,045.95 was paid the *Veteran* under the heading of "Salaries," "Rents" and so forth.

(8) In passing, it may be observed, that between a date in 1921 and January 31, 1925, the various departments of the Government paid to the *Veteran* for advertising and subscriptions the sum of \$10,451.81.

FINDINGS

(1) That the moneys in the Canteen Fund belong to all ex-soldiers of the Canadian Expeditionary Force, and generally speaking, should only have been expended in whole or in part, in such a way as to confer a direct benefit upon all ex-service men.

(2) As a departure from the foregoing, there could not be great exception taken to an expenditure upon certain of the ex-members of the Canadian Expeditionary Force and their dependents, who were unemployed, or in needy circumstances, providing that such unemployment, or needy circumstances, were not properly the especial care of the governmental agencies maintained at the expense of the Government.

(3) Your Committee cannot believe that in making grants of money from this Fund to ex-soldier organizations the Government intended, or approved,

of the expenditure of such moneys to be made solely upon the organizations themselves in the payment of salaries to their headquarter officers, propaganda, honoraria, and other headquarters expenses. If the Government did so intend, or approve, your Committee are of opinion that such grants were improperly made from this Fund.

RECOMMENDATION

(1) Your Committee recommend that the whole of this Fund be disposed of in accordance with the provisions of Bill No. 32, as amended by the report of the Special Committee of the Senate, to whom the said Bill was referred, subject only to the repayment to the Disablement Fund of the sum of \$15,000, more particularly referred to in the report of this Committee on the Disablement Fund.

Respectfully submitted,

N. A. BELCOURT,
Chairman.

REPORT RE DISABLEMENT FUND

June 18, 1925.

The Special Committee appointed to inquire into all matters relating to, or rising out of the following matters, viz: the administration of the Canteen Fund and the Disablement Fund, and the uses to which advances from these funds have been put, the manufacture and sale of paper poppies by the Department of Soldiers's Civil Re-establishment and the resale by various ex-soldier organizations, beg leave to make their fourth report, as follows:—

(1) The Disablement Fund had its inception in a sum of money subscribed by the late James Carruthers, of Montreal, for the purchase of machine guns for the Canadian Forces. Subsequently, it was discovered that it was the duty of the Government to supply all machine guns and that the Government was supplying all the machine guns that could be obtained. It was decided to make the Fund, with the consent of Mr. Carruthers, available for other purposes and to augment the same by public subscriptions.

The Fund at the present time would appear to stand at something in the neighbourhood of \$116,945.22.

(2) Mr. E. H. Seammell, Assistant Deputy Minister of the Department of Soldiers' Civil Re-establishment, was appointed trustee and is at the present time the trustee of the said Fund.

(3) In a series of letters passing between various members and officials of the Government, contributors and other persons, and in a series of interviews given to the press, the objects of the Fund were set out and it is submitted that the objects as set out therein constitute the trust. These objects or purposes of the Fund may be summarized as follows:—

(a) To supplement the pension or compensation granted by the Government in cases where this is insufficient for the support of dependents.

(b) To educate and train those who are unable to follow their previous vocation in other lines of industry and to supplement their earnings during the period of training.

(c) To assist those totally incapacitated, either by the erection or maintenance of soldiers' homes, or as may be hereafter determined.

(d) Generally, to take such steps as may be deemed necessary or desirable to carry out the duty of the Canadian people to the men who have suffered in defence of our national liberties.

- (e) To grant short loans to men on the strength of the Department (Department of Soldiers' Civil Re-establishment) for training or treatment, where such loans will tide over a temporary emergency.
- (f) To make small grants to ex-members of the forces who are in need of the same to tide over a difficult situation or a temporary emergency.
- (g) To make small loans or grants to dependents of men on the strength of the Department in cases of special need.
- (h) To make small grants in cases of special need where pension is found to be inadequate.
- (i) To make small loans and to purchase household necessities where urgently required through the intervention of the Social Service Workers under the vocational or medical branches.
- (j) To meet cost of transportation to enable the loanee to proceed to another point where he has been assured employment.
- (k) To meet emergencies due to sickness in the family where it was required to make immediate purchases of medicine, and advances for such necessities have been made to both disability and dependent pensioners.
- (l) To assist in payment of overdue taxes on real estate (dwellings) where the sum the applicant had was less than the amount he was called upon to pay.
- (m) To meet other domestic emergencies where a small outlay was urgently required to prevent hardships falling on the dependents of ex-service men.

(4) Under Order in Council, P.C. 1565, of the 14th of August, 1923, the sum of \$5,000 was advanced from this Fund to the Dominion Command of the Great War Veterans' Association as a loan.

(5) Under the Order in Council it would appear that this sum of money was advanced to this Association as assistance towards the expenses incurred by the Association in the presentation of cases requiring investigation to the Board of Pension Commissioners and the Department of Soldiers' Civil Re-establishment. This loan was repaid by vote No. 543 of the Estimates of 1923-24.

The Order in Council above mentioned went on to state: "The Association has been doing work which in future will be undertaken by the official soldier advisors who are to be appointed under the amendment passed at the last Session of Parliament to the Department of Soldiers' Civil Re-establishment Act."

(6) It is to be pointed out that the following payments were made by the Government in connection with the inquiry of the Royal (Ralston) Commission:—

- (a) To Mr. C. G. MacNeil for travelling expenses December 19, 1922, to May 5, 1923, \$1,757.58.
- (b) To the Dominion Command of the Great War Veterans' Association between the same dates and in connection with the same inquiry, \$5,411.15.
- (c) To Mr. Bowler, barrister at Winnipeg, for legal and other charges in the same matter between August and November, 1922, \$4,575.04.

To which is to be added the value of transportation supplied by the Government, the payment of all witnesses who appeared before the Commission, and expenses of local veteran organizations in connection therewith.

(7) The Dominion Veterans' Alliance is a federation of the chartered ex-service men's organizations in Canada. The governing body is a committee consisting of two representatives from each of the said chartered associations. The President of the Dominion Veterans' Alliance is Major F. G. Taylor of

Portage la Prairie and the Secretary thereof is Mr. C. G. MacNeil of Ottawa. Mr. MacNeil is Chairman of the legislative committee of the Dominion Veterans' Alliance and is also the Secretary-Treasurer of the Dominion Command of the Great War Veterans' Association.

(8) Under Order in Council P.C. 1596 of the 16th of September, 1924, a loan of \$15,000 was authorized to be made by the trustee of the said Fund to the Dominion Veterans' Alliance to enable that body to continue its activities. The said Disablement Fund to be reimbursed—quoting the words of the Order in Council—“Should any money be appropriated by Parliament for the benefit of the Alliance, or should the proposed allocation from the Canteen Funds be made.”

(9) In connection with the distribution of the loan of \$15,000 covered by Order in Council 1596—\$5,000 of the same was paid out by Mr. Scammell, the trustee, to Mr. MacNeil, Secretary of the Dominion Command of the Great War Veterans' Association in the following manner:—

Two cheques for \$1,000 each

One cheque for \$3,000

said payments being made between the 10th and 20th days of June, 1924, both days inclusive, and prior to the date of Order in Council 1596 of the 16th of September, 1924.

(10) With respect to the remainder of the loan, namely, \$10,000—the same was disbursed in the following manner:—

A cheque on the said Fund signed by Mr. Scammell, the trustee, payable to the Dominion Veterans's Alliance for \$5,000, was enclosed in a letter to Mr. C. G. MacNeil, Chairman of the Dominion Veterans' Alliance, on the 2nd of October, 1924, and secondly a cheque signed by Mr. Scammell, the trustee, on the said Fund, payable to the Dominion Veterans' Alliance for \$5,000, was enclosed in a letter on the 7th of January, 1925, to Mr. C. G. MacNeil, Secretary of the Dominion Veterans' Alliance. Mr. Scammell asked for an itemized statement of the said expenditures.

(11) It is to be pointed out that with respect to the first \$5,000 paid out under Order in Council, P.C. 1596, of 16th September, 1924, the same was paid out prior to the date of the Order in Council and cheques were made payable to the Dominion Command of the Great War Veterans' Association. Mr. Scammell in explanation states, that he was instructed to make the cheques so payable by the Minister of the Department of Soldiers' Civil Re-establishment. Mr. Scammell states further, that when he learned Mr. MacNeil had applied for a further sum of \$10,000 and that an Order in Council was to be issued to cover the whole loan, he advised his Minister that he had reason to believe that other ex-soldier organizations, having heard of the first two loans of \$5,000 each to the Dominion Command of the Great War Veterans' Association, were about to apply to the Minister for similar loans or grants of money. He suggested to his Minister, that the sum of \$10,000 should not be loaned to the Dominion Command of the Great War Veterans' Association, but to the Dominion Veterans' Alliance, which was an organization representing all ex-soldier organizations, and that by following such a course the Minister would be in a position to refuse a loan to any individual ex-soldier organization. The Minister concurred with this suggestion and the Order in Council was worded and issued accordingly.

(12) When Mr. MacNeil received the first cheque of \$5,000 (of the \$10,000 remaining under the Order in Council) made out in favour of the Dominion Veterans' Alliance, he called upon Mr. Scammell with the cheque in question and asked Mr. Scammell to alter the cheque to read—Dominion Command of the Great War Veterans' Association. This Mr. Scammell refused to do and referred Mr. MacNeil to the wording of the Order in Council. Mr. MacNeil

then endorsed the cheque on behalf of the Dominion Veterans' Alliance and placed the same to the credit of the Dominion Command of the Great War Veterans' Association. He did the same thing with the second cheque for \$5,000 (of the \$10,000 remaining under the Order in Council).

(13) The evidence of representatives of other ex-soldier organizations was clear on the point, that Mr. MacNeil's proper duty in the premises was to forward these cheques to the Treasurer of the Dominion Veterans' Alliance, Captain H. A. H. Jones of Winnipeg, or to advise the members of the Dominion Veterans' Alliance Executive Committee and to wait the decision of that body as to the disposal of the cheques in question.

(14) Mr. Scammell in his evidence stated that had Mr. MacNeil communicated with the officials of the Dominion Veterans' Alliance and secured their authority for his action in the matter, he, Mr. Scammell, would have considered the transaction quite regular. Mr. MacNeil in his evidence admitted, that he had not consulted any of the officials of the Dominion Veterans' Alliance as to his course of action, nor did he inform any of the officials of the Dominion Veterans' Alliance, and the transaction, as far as your Committee could learn, only came to the ears of the officials of the Dominion Veterans' Alliance when the matter was discussed in the House of Commons in the month of March last. Upon getting the facts in the case, the President of the Dominion Veterans' Alliance wrote a circular letter to the constituent bodies of the Dominion Veterans' Alliance dated April 17, 1925, informing them of the facts and stating his strong disapproval of the action taken by Mr. MacNeil, and calling upon the constituent bodies, because of these transactions, to withdraw their representation from the Dominion Veterans' Alliance and in effect, to dissolve the said Alliance.

Finding

(1) Your Committee are of opinion that the conversion of the cheques mentioned in paragraph (12) hereof, from the use of the Dominion Veterans' Alliance to the use of the Dominion Command of the Great War Veterans' Association by Mr. C. G. MacNeil had the effect of defeating the intentions of the Minister and the Assistant Deputy Minister of the Department of Soldiers' Civil Re-establishment, and was a violation of the terms of Order in Council 1596 of the 16th of September, 1924, and was a breach of trust on the part of Mr. C. G. MacNeil as an official of the Dominion Veterans' Alliance.

Recommendation

(1) That the sum of \$15,000 be repaid to the Disablement Fund from the Canteen Fund.

Respectfully submitted.

N. A. BELCOURT,
Chairman.

REPORT RE POPPIES

June 18th, 1925.

The Special Committee appointed to enquire into all matters relating to, or rising out of the following matters, viz:—The administration of the Canteen Fund and the Disablement Fund, and the uses to which advances from these funds have been put, the manufacture and sale of paper poppies by the Department of Soldiers' Civil Re-establishment and the re-sale by various ex-soldier organizations, beg leave to make their Fifth report as follows:

1. In shops operated under the direction of the Department of Soldiers' Civil Re-establishment, poppies are manufactured by disabled ex-soldiers for

sale and distribution on Armistice Day and such other days as may be selected in different localities by ex-soldier organizations, or committees having the matter in hand.

2. The Department of Soldiers' Civil Re-establishment are prepared to sell these poppies at the same price and upon the same terms to any organization of ex-soldiers, or other persons as may apply to purchase the said poppies.

3. The impression has appeared to exist amongst ex-soldier organizations and others, that the Great War Veterans' Association had an arrangement with the Department of Soldiers' Civil Re-establishment, whereby the Great War Veterans' Association had the exclusive privilege to purchase from the Department of Soldiers' Civil Re-establishment and to se-sell poppies.

4. It would appear that the Great War Veterans' Association in 1923 sought to copyright, or to patent the poppy in their own name and for their own benefit. The following resolution explains itself:—

Moved by Comrade Myers and seconded by Comrade Miller that
 "Whereas the Poppy of Flanders Fields is immortalized to the glorious dead and because of Colonel McRae's inspiring poem, and whereas the Great War Veterans' Association have resolved in Annual Convention to petition the Government for an absolute monopoly and control of the Poppy on behalf of their own organization, and Whereas we feel it is so sacred that it should not be commercialized or exploited for any purpose whatsoever, therefore be it resolved that we, the Dominion Executive of the Amputations' Association of the Great War, representing the war amputation cases throughout the Dominion, do hereby strongly protest to the Federal Government against the issuing of a patent or copyright of the Poppy to any individual or to the Dominion Veterans' Alliance, and that copies of this Resolution be sent to the Women's Press Club, the I. O. D. E., the Red Cross, the Women's Patriotic Association, and to representative M. P.'s from each Province."

Carried.

5. In a letter dated Ottawa, January 29th, 1924, exhibit "4", Mr. MacNeil, Secretary, Dominion Command of the Great War Veterans' Association to J. L. Melville, Supervisor of Vet-Craft shops, Department of Soldiers' Civil Re-establishment, Ottawa, Mr. MacNeil laid down the following provisions to cover the sale of poppies for that year:—

(1) No sale of poppies will be made by your Department to organizations or associations at a lower price than quoted to the Great War Veterans' Association, Dominion Command.

(2) No sale of poppies will be made to any organization or to any unit or branch of the Great War Veterans' Association, except through the Dominion Command of the G. W. V. A., unless by mutual agreement.

(3) It is understood that the Department of Soldiers' Civil Re-establishment will undertake to prevent institutions and hospitals, other than the Vet-Craft Branch under their jurisdiction, from making poppy supplies to be sold directly or indirectly by them during the Poppy Day Campaign 1924.

An order of poppies was then agreed upon to be delivered by the Department of Soldiers' Civil Re-establishment as follows:—

250,000 small poppies at \$15 per thousand.

50,000 large poppies at \$77 per thousand.

In reply, Mr. Melville wrote under date of January 30, 1924, in part as follows:—

In connection with paragraph two of your letter, it is considered that the following proviso should be added:—Where the Great War Veterans' Association are unable to arrive at a satisfactory settlement regarding the sale of poppies to any organization, the Department through the Vet-Craft Branch shall have the opportunity to endeavour to secure the contract direct, subject to the following provisions:—

That the prices quoted shall not be less than that agreed on in the contract with the Great War Veterans' Association, and (b) before taking such action, the Vet-Craft Branch shall advise the Great War Veterans' Association of such intention.

6. The modus operandi of the Dominion Command of the Great War Veterans' Association was described by Mr. MacNeil as follows:—

After communicating with the Provincial Commands of this organization, an estimate of the number of poppies required within Provincial areas was secured and a common order was put into the Department of Soldiers' Civil Re-establishment by Mr. MacNeil and the poppies were thereupon dispatched by the Department of S.C.R. to the Provincial Commands, aforesaid. Taking a concrete case of one class of poppies, the Dominion Command of the Great War Veterans' Association purchased from the Department of Soldiers' Civil Re-establishment these small poppies at \$15 per thousand and resold to their Provincial Commands at \$20 per thousand. There were other qualities of poppies, wreaths and so forth with varying prices, but in all cases the Dominion Command of the Great War Veterans' Association made an increased charge on the goods ordered by and through them.

7. In some communities committees are formed with representatives from all ex-soldier organizations and other kindred and allied organizations for the purpose of disposing of poppies in large numbers by the aid of volunteer workers by means of the tagging system, such general committees in turn purchase the poppies required from the Provincial Commands of the Great War Veterans' Association. It would appear that this system was in vogue in the years 1922, 1923 and 1924.

8. In a statement of receipts and expenditures submitted by the Dominion Command of the Great War Veterans' Association to your Committee, on the revenue side there appears an item "Poppy Day Campaigns (statement attached) \$25,148.15."

In the statement referred to as attached, the following synopsis of the operations in the matter of the sale of poppies is given:—

Year	Sales	Cost	Gross Administration		Net Profits
			Profits	Expenses	
1922.. . . .	\$34,716 93	\$23,487 53	\$11,229 40	\$ 5,222 47	\$6,006 93
1923.. . . .	31,684 03	25,020 25	6,663 78	4,737 45	1,926 33
1924.. . . .	39,278 60	31,858 58	7,420 02	5,890 56	1,529 46
	105,679 56	80,366 36	25,313 20	15,850 48	9,462 72

9. It transpired in the course of Mr. MacNeil's examination that the item—administration expenses—was an arbitrary amount for which he had no vouchers or no special expenditure to show, but was merely, in his opinion, the value of the services rendered by himself and his staff in connection with the transaction.

To give an example—In the city of Winnipeg a Poppy Day Committee was formed of representatives of all ex-service men's organizations, plus allied and kindred organizations. This Committee having made all necessary arrangements, applied to the Provincial Command of the Great War Veterans' Association in Manitoba for a supply of poppies and the same were supplied

by the Provincial Command of the Great War Veterans' Association in Manitoba who fixed the prices to be paid by the Winnipeg Poppy Day Committee, which are set out hereunder, and are taken from statutory declarations made by five members of the said Winnipeg Poppy Day Committee, and are further supported by copies of accounts rendered by the Manitoba Provincial Command, G.W.V.A., to the Joint Veterans' Poppy Day Committee, Winnipeg, Manitoba, in 1923 and 1924. A specification of the prices charged by the Department of Soldiers' Civil Re-establishment for poppies is also submitted hereunder.

Department of Soldiers' Civil Re-Establishment
Prices—1923

Small poppies..	\$13.00	per thousand
Large..	72.50	" "
Evergreen wreaths..		each
Sprays (Cycas poppies)..		each
Poppy wreaths..		each

The following are the prices charged by the Manitoba Provincial Command of the Great War Veterans' Association to the Winnipeg Poppy Day Committee as per account submitted in 1923:—

Quantity	Description	Price	Amount
50,000	Small Poppies.. . . . .	.05	\$2,500.00
6,160	Large . . . . .	.15	922.50
5	Evergreen wreaths with small poppies..	2.25	11.25
35	Poppy wreaths with leaves..	2.50	87.50
			\$3,521.25

An analysis of the foregoing statement will show that the above price for small poppies was \$50 per thousand and for large poppies, \$150 per thousand.

The following are the prices charged by the Department of Soldiers' Civil Re-establishment in 1924.

Small poppies..	\$15.00	per thousand
Large poppies..	77.00	per thousand
Evergreen wreaths.. . . . .	.90	each
Sprays (Cycas and Poppies)..	1.65	each
Poppy wreaths..	1.80	each

The following are the prices charged by the Manitoba Provincial Command, Great War Veterans' Association, to the Winnipeg Poppy Day Committee, as per account rendered 1924.

Quantity	Description	Price	Amount
60,000	Small poppies.. . . . .	.04	\$2,400.00
6,000	Large poppies.. . . . .	.15	900.00
50	Large poppy wreaths..	2.75	137.50
			\$3,437.50

An analysis of the foregoing shows small poppies were sold as above at \$40 per thousand, large poppies at \$150 per thousand.

10. In a circular letter written by Mr. MacNeil, Secretary, Dominion Command of the Great War Veterans' Association, to Provincial Commands, dated February 6, 1924, this paragraph occurs:—

In discussing arrangements for the 1924 campaign, it was decided by the Dominion President that no attempt be made to secure any profit by the Dominion Command. Although funds are sorely needed at Headquarters to maintain enterprises to benefit ex-service men, there has been a great deal of criticism to the effect, that the sale of poppies was commercialized by the Dominion Command. Actually the surplus following each campaign has provided for little beyond reimbursement

for expenditure undertaken. Nevertheless, it was considered advisable to renounce all prospects of gain and to lend emphasis to the real purpose of the campaign.

In the minutes of a meeting of the Dominion Council of the Dominion Veterans' Alliance held at Ottawa, November 5, 1923, this item appears—

Poppy Day Campaign

It was reported to the Council by several delegates that complaints had been received with regard to the monopoly obtained by the Great War Veterans' Association in the distribution of vet-craft poppies on Armistice Day. The arrangements for the Poppy Day Campaign, as conducted by the Great War Veterans' Association, were fully explained by Comrade MacNeil. Statistics were tabled in proof of the assertions that no profit was derived therefrom by the Dominion Command of the Great War Veterans' Association, as the major portion of the funds raised in this manner were left in the community for relief purposes. Any surpluses transferred from the Campaign Fund to the credit of the Great War Veterans' Association would not exceed the amount required for reimbursement of administration expenses.

11. Witnesses before this Committee representing the Grand Army of United Veterans, the Army and Navy Veterans, Canadian Legion and the Amputation Association were of opinion that there should be no monopoly in the sale of poppies, but that the Department of Soldiers' Civil Re-establishment should furnish poppies to all applicants at the same price and upon the same terms. That there should be no profit to any intermediaries in the transaction. If any profits or proceeds resulted from the sale and distribution of poppies, it should go to the relief of ex-service men and their dependents in the localities where such poppies were disposed of to the public.

Your Committee find as follows:—

1. That a quasi exclusive privilege to sell poppies in Canada seems to have been secured by the Dominion Command of the Great War Veterans' Association and their subordinate branches, in which other ex-soldier organizations apparently acquiesced in the belief that there were no profits except such as accrued to the actual vendors in the communities where such poppies were sold to the public, and it was generally believed by ex-soldier organizations that the Great War Veterans' Association had an exclusive privilege.

2. That in 1922, 1923 and 1924, the Dominion Command of the Great War Veterans' Association profited by its transaction in the purchase and sale of poppies in the sum of \$25,148.15.

3. In 1923 and 1924 there was a substantial spread between the price charged by the Dominion Command of the Great War Veterans' Association to the Manitoba Provincial Command of the Great War Veterans' Association and the price charged by the Manitoba Provincial Command of the Great War Veterans' Association to the Winnipeg Poppy Day Committee, which resulted in an average profit to the Manitoba Provincial Command of the Great War Veterans' Association in these years of 28.17 per cent.

4. The wearing of a poppy on Armistice Day has become a custom based upon patriotic and sentimental considerations. This imitation flower is worn as a memorial of the dead and to mark the anniversary of a great occasion. A fine poem by a distinguished Canadian Soldier has given this custom and this flower a special place in the hearts and minds of the Canadian people.

Your Committee regret to find that this custom and this flower has been commercialized by the transactions above set out.

Your Committee recommend that—

1. No exclusive privilege for the sale of poppies manufactured under the auspices of the Department of Soldiers' Civil Re-establishment be permitted, but that all such poppies be made available at prices and upon terms equal to all.

2. Care must be taken in the disposal of these poppies to see that no middle man's profits accrue.

3. That the commercialization of the sale of these poppies be eliminated and to that end the Provincial Units of the Department of Soldiers' Civil Re-establishment be utilized for the distribution of poppies within the several Provinces.

Respectfully submitted,

N. A. BELCOURT,
Chairman.

EVIDENCE

WEDNESDAY, May 20, 1925.

Hon. Mr. Belcourt in the chair.

Mr. C. G. MACNEIL, Dominion Secretary-Treasurer, Dominion Command, Great War Veterans' Association of Canada, appeared as a witness before the Committee, and, having been duly sworn, testified as follows:—

By the Chairman:

Q. Mr. MacNeil, were you served with a subpoena, duces tecum, by the Committee?—A. Yes, sir.

Q. Have you brought the letters, papers and documents referred to in the subpoena?—A. Not fully, sir. I may explain that when I learned of the motion as passed by the Senate we instructed our auditors to prepare a comprehensive audited statement of all our financial affairs. That statement has not yet been complete. I am informed that it will be completed perhaps some time today. They have been working on it perhaps four days. You will appreciate the fact that it is quite a task. They are consolidating all previous statements and auditing the period of our books ending May 1st of this current month. They assure me that it will be ready, and we will be very glad to make that available to the Committee. Then, if I may ask your instructions as regards other specific inquiries, I would be very glad to secure the information, but as I only received this at 3 o'clock, it was a little difficult.

Q. You speak of previous statements. I suppose you mean audits, do you?—Yes, sir.

Q. Were these made periodically?—A. Yes, sir.

Q. Yearly, or every six months, or monthly, or how?—A. As required, sir, by our Dominion Convention or by our Dominion Executive.

Q. I know, but that is no answer. What did the Convention require? When are they made? At fixed periods?—A. Annually, and sometimes more frequently.

Q. You could have brought those, could you not?—A. They are now in the hands of the auditors. They are consolidating it, for your convenience, in one statement for the entire period, so that there might be no confusion.

Q. Then you are not in a position to give us any information this morning?—A. With regard to financial details I would prefer to speak from an audited statement, sir. I think it is rather expected—you would expect that. I regret that very much, but we anticipated your requirements in that regard—

Q. You should have brought those previous statements. What are the names of your auditors?—A. Messrs. Blatch and Bounsall, sir, of this city, Chartered Accountants.

Q. When were they requested or instructed to proceed?—A. On the same day, sir that this Committee was appointed to deal with the Canteen Funds Bill.

The CHAIRMAN: Gentlemen, I do not know whether it might not be wise to ask to have these previous statements sent up to us.

By the Chairman:

Q. You could get them easily—in a few moments—could you not?—A. I may explain they are a series of statements, sir. It would be very difficult to make any analysis from just a group of statements.

Q. I suppose the last statement would be an inclusive one. It would be inclusive of all the previous ones?—A. Yes, covering a certain period, sir.

Q. Well, but it would cover the whole period of administration, would it not? I mean, it would be inclusive of the others?—A. Not exactly. It would merely refer to the balance on hand at the commencement of that period and would be a statement of revenue and expenditure for that period, and the usual statement of assets and liabilities.

By the Chairman:

Q. The reference would be to a bulk sum. It would be the balance, one way or the other, of the previous statement. I can understand that. But it would show the condition of affairs just at that date anyway?—A. As at that date, yes, sir.

Q. What is the date of that last one?—A. Offhand I would not be sure.

Q. I mean, when was it made? Six months ago?—A. Some time last year, I think.

Q. In January?—A. No, sir; last year; the annual statement of the Association. I think within a very few hours I will have the whole thing from April, 1917, right down to May 1, 1925; which would be what you require.

By Hon. Sir James Lougheed:

Q. To what extent will the auditors' statement meet the requirements of the Committee? Will each item be verified? In what way will this audit be made, Mr. MacNeil?—A. I may explain, sir, that since 1919 we have had what is known as a prepayment audit. The auditors are appointed by our Dominion Convention, and responsible to the Convention, not to the Executive or to the office staff. The auditors audit all payments prior to expenditure and countersign all cheques. So that they have unusual powers.

Q. What evidence will be submitted to them of those payments? In the audit which they make have you a voucher for every payment?—A. They demand that, sir. Before payment is made they demand an audit.

Q. I do not see how there can be an audit of payments to be made. You cannot anticipate, or an auditor can scarcely anticipate a payment to be made. If he accepts it as a fact that the payment is to be made and credits you with that payment, and it is not made, what then?—A. He subsequently demands production of the vouchers. He has constant access to our books monthly.

Q. Does he go over the whole situation twice?—A. Yes, sir.

Q. To ascertain whether you have really made the payments?—A. There is that double check.

By Hon. Mr. Laird:

Q. Do you mean he requires the accounts to be certified by the auditor before they are paid?—A. Before any expenditure can be made, sir, we submit the authority for the expenditure and all evidence relating to the expenditure to the auditor, before he countersigns the cheque, and no cheque can be issued except under his signature. Then he has this authority: he has access to our books, and he or a representative from his office comes over and demands production of all vouchers, books, bank books, pass books and everything in connection with our affairs, and makes practically a monthly or sometimes a bi-weekly examination of the affairs.

By the Chairman:

Q. The sole purpose of that is to ascertain whether you have the funds to pay the accounts, is it not?—A. No, sir.

Q. What other purpose does it serve?—A. To assure the governing body of our Association that the expenditure has been regular in every respect.

Q. Has been what?—A. The expenditure has been regularly made.

Q. Well, but you say this is before the expenditure is made?—A. After, sir.

Q. One thing at a time. You are speaking now of the prepayment audit, as you call it. I understand that that applies to any account that is payable, or any authority issued by the Association for the payment of a certain sum to a certain person. Now, this prepayment audit, if I understand you and have the correct idea, is merely for the purpose of ascertaining if the funds are there to meet that payment. That is the duty of the auditor?—A. And there is the additional purpose, sir, to see that authority exists for the payment, and the additional purpose that in the absence of the governing body, which is the Convention, the signatures are being properly made. He can demand the production—and very often does—the production of a great deal of evidence apart from that, to assure himself that the payment is being regularly made, properly made.

Q. But that is a different operation. He cannot ascertain if a payment has been properly made before it is made.—A. No, sir.

Q. Well then, do you have two kinds of audits, the prepayment audit that you have spoken of, and a subsequent one to see if this money has been paid out?—A. The two combined, sir.

By Hon. Mr. Griesbach:

Q. Your Conventions are held once a year?—A. Recently they have been biennial.

Q. All right. Do I understand you to say that your Convention determines, at any given time, the whole of the detailed expenditure of any particular sum of money for the next two years?—A. Only in a very general way.

Q. Ah, well, in a general way. Then how can they instruct the auditors in a general way?—A. They elect the auditors.

Q. You take the sum of \$50,000 which comes to hand subsequent to the holding of a Convention. How could the Convention deal with that? Do you mean to tell me you could not spend a cent of that money until the Convention had met?—A. Oh, no, sir.

Q. How could the Convention instruct the auditors with respect to a payment they had not even heard about?—A. Through the Dominion Executive.

Q. The Executive Committee have power to determine how a sum of money shall be spent?—A. Absolutely.

Q. And then they instruct the auditor?—A. Subject to the general authority of the Convention.

Q. In this case the Convention have not even heard of it. There can be no general authority. Would not that be so?—A. Yes, there is general authority, the general authority usually conferred—

Q. Just as a policy?—A. —on Boards of Directors by shareholders. That is what it amounts to.

Q. The Executive will do what they like.—A. There is a compliance with the provisions of the Companies' Act.

Q. When it comes to them, as a matter of fact, the Executive Committee can determine how the amount shall be spent, and instruct the auditor accordingly?—A. Within a certain definite policy.

Q. To get it down a little bit finer, you yourself could direct how a sum of money could be spent.—A. No.

Q. You mean to tell me you call your Committee together on all occasions involving an expenditure of money?—A. There would have to be some consultation or the issue of some authority.

Q. Where do the Committee men live?—A. Throughout Canada.

Q. How often do they assemble in a year?—A. There might be consultation by correspondence over a matter, or a regular resolution of the Committee.

Q. How often do the Committee meet in the course of a year?—A. Irregularly.

Q. Once a year?—A. At least once a year.

Q. Twice a year?—A. Usually, it has been the custom to meet three or four times a year, until recently.

Q. So that the auditors, then, would be instructed in writing by the Committee with respect to payments made?—A. Yes.

The CHAIRMAN: Payments to be made.

Hon. Mr. GRIESBACH: To be made.

By Hon. Mr. Griesbach:

Q. We are getting away now from the Convention. We are getting away even from the Executive Committee. The Executive Committee may instruct by writing, with respect to this prepayment audit. Mr. MacNeil said his audit would be finished in a few hours. Is that right?—A. Yes, sir.

Hon. Mr. GRIESBACH: In that case it would not be a very lengthy matter to prepare an audit. As a matter of fact, you have a resolution which provides for an audit by the auditor of the S.C.R. Mr. MacNeil has just said enough to satisfy me right now that this form of audit would not be satisfactory, to me, for instance, and I suggest that you put to Mr. MacNeil the terms of that resolution, and give him his choice of bringing his books here for audit by this official, or on the other hand, to save time—and we must save time because the session will draw to a close in the course of a month—the choice of bringing the books here for the auditor or having the auditor enter his office. And inasmuch as an audit is now going on, it might be a very simple matter for the auditor of the S.C.R. to take the audit and check it. Then we have before us the evidence which will very much shorten the subsequent examination of Mr. MacNeil. I think that is the best thing to do.

By the Chairman:

Q. How long will it take to make the audit?—A. It depends on the nature of the audit.

Q. The audit you are making?—A. The statement is nearing completion now.

Q. And you began when?—A. The day this motion was passed.

Q. How many days have you been at it?—A. I should say about three or four.

Q. And they will finish it to-day?—A. The audit will be brought up to a certain period.

Q. How long would it take the S.C.R. auditor to go over it and check it? Two days?—A. Oh, I couldn't offer any estimate, sir. It would depend on how far he would accept the check of the chartered accountant, Mr. Blatch. They have their own methods of dealing with that.

By the Chairman:

Q. You are going to complete your audit to-day?—A. Yes, sir.

Q. Have you any objection to handling this audit to the auditor of the D.S.C.R. as soon as it is completed?—A. Not in the least, sir.

Q. You see no objection to that at all, and are quite prepared to give every facility to these auditors to make a thorough and complete audit?—A. May I offer a remark or two?

Q. Yes?—A. I think I should explain to the Committee—I am anxious to co-operate in every way—that it covers quite a period of years and involves amounts totalling well over half a million dollars, and our auditor is able to complete that audit in four days by reason of the fact that he has conducted

the audits continuously over that time. This covers a period of years, from April, 1917, and shows expenditures in correct relation to the activities. Furthermore, an audit has distinct limitations. It proves to you, when you have the audit—

By the Chairman:

Q. Why go into that? It is too late now?—A. I was thinking it would save time.

Hon. Mr. LAIRD: I think the witness should be heard.

Mr. MACNEIL: The audit proves to you, sir, that money is received and banked; and, on the expenditure side, expended in such and such a way; and vouchers are provided to the satisfaction of the auditor; and also that the expenditure was made in accordance with authority. However, the audit does not touch in any way the application of those funds or the result achieved by the application of the funds, to any particular activity. I was anxious to know your intentions as to what you wished to determine, whether or not—

The CHAIRMAN: What is the result achieved?

Hon. Mr. GRIESBACH: That is a matter of evidence.

The CHAIRMAN: You are about completing an audit. You say it will be completed to-day. I do not think you should be asked to proceed in any different way from the way in which you have proceeded. It is too late now. Your audit will be worth what it will be worth, and we are to remember that it has been done hurriedly. But what we want is a complete and thorough audit by independent people, by officials who are responsible to the department and responsible to this Committee for their actions. That is what this Committee really wants. You had better close your audit to-day or as soon as you can, and to-morrow put every facility that you can in the way of the S.C.R. auditors so that they may make this complete audit.

Mr. MACNEIL: I am, you will understand, the custodian of the books, papers and files of the association. I am not the manager of the association.

By the Chairman:

Q. You are the secretary-treasurer?—A. Yes, sir.

Hon. Mr. GRIESBACH: What is that?

Mr. MACNEIL: I was explaining to the Chairman that I am merely the custodian of the property of the association. We are organized under the Companies Act. I am in the role of general manager, and in this matter I must consider the interests of my Board of Directors, or Dominion Executive Committee. I telegraphed them immediately I received your summons, but I have not yet had time to consult with them fully in this matter. I think they would like to know, in some way, the purpose of the inquiry, and this audit will include the affairs of the association, quite apart from anything made under your investigation, and I think they would like to have some statement or declaration or assurance from the Committee, if this is permissible, that association affairs—affairs that they have to scrutinize or approve, or that the association has in any sense under their control, or their interests—are properly safeguarded in some way, either by counsel or some arrangement that may be submitted.

Hon. Mr. GRIESBACH: What do you suggest yourself?

Mr. MACNEIL: If this is an investigation of the affairs of the association, of a public nature of that kind, I think the Executive Committee would like to have counsel. I have their names here. They are:—

President—Dr. W. D. Sharpe, Brampton, Ont.
 First Vice-President—Col. J. McAra, Regina, Sask.
 Second Vice-President—Capt. Ian MacKenzie, M.L.A., Vancouver, B.C.
 Col. C. E. Edgett, D.S.O., Vernon, B.C.
 H. Baker, Medicine Hat, Alta.
 Major M. A. MacPherson, Regina, Sask.
 J. W. Baldock, Brandon, Man.
 Col. L. R. LaFleche, D.S.O., Ottawa, Ont.
 Col. R. Costigan, Montreal, P.Q.
 Rev. F. M. Lochary, Woodstock, N.B.
 Dr. G. W. Whitman, Stellarton, N.S.
 Prof. C. MacMillan, McGill University, Montreal, P.Q.

By Hon. Mr. Griesbach:

Q. You would be satisfied if you have counsel? What you ask the Committee for is to allow you to have counsel?—A. Personally I am prepared to place myself at the disposal of the Committee without counsel.

Q. What you want is counsel?—A. Yes.

Q. With that you will be satisfied?—A. Yes.

Hon. Mr. GRIESBACH: Is there any rule against it? If not I would be quite satisfied.

The CHAIRMAN: We are only here to watch. I do not think we should have counsel carrying on the investigation, questioning the witnesses, or anything of that kind.

Hon. Sir JAMES LOUGHEED: Who is going to pay counsel?

By Hon. Mr. Griesbach:

Q. You will pay counsel yourselves, will you not?—A. These gentlemen are all engaged in patriotic endeavour, without remuneration. It will mean a tremendous personal sacrifice on their part.

Hon. Mr. DANDURAND: There is no accused before us. There is a quasi public body, which is your institution, rendering public service, drawing funds from divers public sources and private, but for general expenditure for the welfare of the community. What this Committee is here to inquire into is the general activities of that institution, in order that we may govern ourselves according to the degree of confidence that we may put in the Association when other calls are made upon the public treasury. I do not see the necessity at this point, for counsel, when I take for granted—and I suppose you will back me up in my taking for granted—that everything has been done above-board.

Mr. MACNEIL: Oh, yes, sir; I asked as a matter of grace, because we appreciate it is an unusual inquiry, and such inquiry will include and will expose to the public gaze the affairs of the internal administration, and very short notice has been given to these gentlemen of that.

Hon. Sir JAMES LOUGHEED: It is not unusual, the investigation we desire to make as to the application of the funds received from the Government. These are public funds, and you can speak with probably more confidence on that subject than the Executive, or counsel, or anybody else. No one is concerned but yourself.

Hon. Mr. GRIESBACH: I would not refuse the reasonable request to have counsel, and I would say he has a perfect right to have counsel, but he pays for it himself. I do not see why the Committee or the Government or the country should pay. I will make a motion, if necessary, that Mr. MacNeil—

Hon. Mr. DANDURAND: There need be no motion. Mr. MacNeil may have counsel to advise him. The counsel may not direct the procedure, but he may advise Mr. MacNeil or intervene if there is any interest that is being jeopardized.

Hon. Mr. MACDONELL: At no expense to the public.

Mr. MACNEIL: The impression has gone abroad that the investigation is particularly directed against the G.W.V.A. If you could see your way clear, as a matter of grace, to do anything in that regard I am sure it would have a very reassuring effect on a large number of men that are intensely interested in this inquiry.

By the Chairman:

Q. What do you suggest? What can we do? There is nothing that this Committee can do that will allay anything of that kind?—A. On former occasions the government did supply counsel for inquiries.

The CHAIRMAN: As I understand it, there is no objection to counsel, and I think it is a parliamentary practice to allow the parties to appear by themselves in person or by counsel before any Committee—Special, Standing or otherwise.

Hon. Mr. LAIRD: This Committee is in precisely the same position as the Public Accounts Committee would be. We inquire into the matter of expenditure, and we expect witnesses to come there. If they want to be represented by counsel I see no objection, but there is no onus on us to provide counsel.

The CHAIRMAN: It is the right of any person summoned before a committee of the House to appear in person or by counsel, and be heard.

Hon. Mr. LAIRD: I think they would have the right in the Public Accounts Committee in the House of Commons.

The CHAIRMAN: In every Committee it is a rule of the House.

Hon. Mr. GRIESBACH: We agree to that.

Mr. MACNEIL: The situation is even more serious than that, because all I could do was merely to report the situation, and report to the members of the Committee.

The CHAIRMAN: All you are going to be asked are facts.

Mr. MACNEIL: Is it not the common practice, when any body or individual is charged—as we have been charged in the Senate—with improper conduct, more or less with the improper administration of funds, when facing a charge of that nature, almost verging on the criminal, that the proceeding should be of a judicial nature—prosecution and defence—and if the person charged is not in a position to provide a proper defence the Crown usually makes provision?

The CHAIRMAN: Yes, but I do not see why you are troubled with that at all. The task of this Committee is to ascertain facts. If the auditors that we bring here, or any other evidence that is produced here, does not disclose all the facts, if there are other facts material, then every facility will be afforded you or your Association to put those facts before this Committee. Now, it is only facts that we are going to deal with here—nothing else; so I do not see why there should be any worry over it at all.

Hon. Mr. DANDURAND: Your Association has its regular counsel?

Mr. MACNEIL: No sir, not in the regular sense; we cannot afford to retain counsel permanently.

Hon. Mr. DANDURAND: At all events, this matter could remain in abeyance. You are allowed to have counsel; the question you put is, "Who will pay counsel?" Of course you have the funds of the Association. If the Association decides to have counsel and pay it out of its own funds I do not suppose that anyone will question the propriety of doing so; but I suggest that Mr. MacNeil await the developments of the inquiry before he proceeds to assume liabilities.

Hon. Sir JAMES LOUGHEED: Let us get the audit first.

Hon. Mr. GRIESBACH: The situation is that you have a resolution before you, and Mr. MacNeil has agreed that the Auditor of the Department of S.C.R. shall enter in and make this audit, according to that resolution. Then I move that the Committee adjourn until Wednesday next at—what?—half past ten?

Wednesday, May 27, 1925.

Hon. Mr. Belcourt in the chair.

The CHAIRMAN: Gentlemen, the member for West Calgary in the House of Commons has asked me to request the Committee to hear him on behalf of the G.W.V.A. If there is no objection we could hear Mr. Shaw now.

Hon. Mr. GRIESBACH: Agreed.

The CHAIRMAN: No objection?

Some Hon. SENATORS: No.

The CHAIRMAN: Very well, Mr. Shaw.

Capt. J. T. SHAW, M.P.: Mr. Chairman and honourable gentlemen of the Committee, I appreciate your courtesy in giving me this opportunity of being heard. What I have to say is incorporated in a letter which was written to me on behalf of the Dominion Executive of the Great War Veterans' Association, and my reply, and with your permission I should like to read those two documents.

The letter to me is dated Ottawa, May 25, 1925:—

Capt. J. T. SHAW, M.P.,
House of Commons,
Ottawa.

DEAR SIR.—Under the instructions of the Dominion Executive Committee of the Great War Veterans' Association of Canada, this appeal is made for your advice and assistance as Counsel for the Dominion Command during the enquiry ordered by the Senate into the affairs of the Association. The members of the Dominion Executive Committee would earnestly solicit your co-operation not only because of the circumstances related herein, but also because of their confidence in your desire, as evinced in Parliamentary Debates, to advance the legitimate interests of organized ex-service men.

A brief explanation is offered as to the circumstances that compel the Executive Committee to thus further tax your good-will in the midst of heavy Parliamentary duties.

On the 13th instant it was moved in the Senate by the Hon. W. A. Griesbach and agreed to:—

The resolution is familiar to all honourable gentlemen, of course, so I will not read it. The letter continues:—

At 3 p.m. on the 19th instant, the Secretary-Treasurer was served with a summons to appear before the Special Committee of the Senate at 10.15 a.m. on the following date, and to produce on that occasion all letters, papers, documents and books of the Dominion Command, G.W.V.A., having relation to the expenditure under enquiry. The Secretary attended the proceedings of the Committee and explained that it had been impossible to produce on such short notice all the material demanded, but, nevertheless, in anticipation of the Committee's demand, a special audit of the books of the G.W.V.A., Dominion Command, from April 1917 to May 1925 had been ordered and a properly audited financial statement for this period was in course of preparation by Messrs. Blatch and Boun-sall, Chartered Accountants, in the city of Ottawa. It was further explained that this firm of Chartered Accountants had continuously conducted an audit of the books of the Dominion Command, G.W.V.A., since 1919, and that the system of auditing had not only involved the preparation of annual financial statements, but also a pre-audit of all expenditure.

It was divulged during the proceedings of the Committee on the 20th instant, that the following motion had been adopted in Committee on the previous date:—

That motion is also familiar to the members of the Committee, so I shall not read it. The letter continues:—

It was explained to the Committee that no objection would be taken to this procedure and that the Association would offer every facility toward a most thorough investigation. It was pointed out, however, that in view of remarks made in the Senate and particularly because of the method of enquiry outlined, the Association was placed under the necessity of entering defence against exceedingly grave charges. It was explained that an audit by an independent and reputable firm of Chartered Accountants was about to be set aside, that the G.W.V.A. was the only organization summoned in respect of expenditure under advances from the Canteen Fund, and that the scope of the enquiry dealt with all matters of internal administration of the G.W.V.A., as well as matters more directly of public interest. Under the circumstances, it was contended that the Directors of the Association who had approved the transactions under scrutiny were entitled to the assurance that their interests would be safeguarded by a judicial procedure of enquiry and the opportunity to file any defence as desired against the charges on which they were placed on trial. It was suggested that the Committee should allow the attendance of a Counsel and that provision be made for the payment of Counsel fees as might reasonably be required.

After consideration, the Special Committee agreed that the right to employ Counsel be granted the Great War Veterans' Association. The Senate Committee was not prepared to agree that Counsel be employed at the public expense. The Committee adjourned until the 27th instant to enable completion of the G.W.V.A. audit, and the commencement of the independent audit by the Department of Soldiers' Civil Re-establishment.

It is needless to explain that the Directorate of the G.W.V.A. is composed of men of good repute, who have volunteered their services to the association without remuneration and who, at considerable personal

sacrifice, have undertaken supervision of the benevolent endeavours conducted by the organization. It is obviously impossible for the members of the Executive to appropriate association funds for the purpose of employing counsel for defence purposes during the present inquiry, as such funds are secured and allocated strictly for the services sponsored by the organization.

Further, it would impose great hardship upon them to require that they should neglect their private affairs in order to attend the inquiry or to undertake at their personal expense to employ counsel. They have discharged their duties as required under the Dominion Companies Act, and no evidence has as yet been produced to establish serious irregularity although they have been exposed to grave suspicion. You will readily perceive, therefore, the very awkward predicament in which the members of the Dominion Executive Committee have been placed, simply by reason of a laudable desire to serve the welfare of ex-service men and dependents.

The association at large has expressed the desire to fully satisfy the requirements of the inquiry, however exacting. As the inquiry has now assumed the appearance of a trial, its progress will be expedited if the association is represented by counsel, particularly by one of Parliamentary experience. It is sincerely hoped, therefore, that you may find it possible to entertain this request favourably and appear on behalf of the Great War Veterans' Association upon resumption of the Committee's inquiry.

Yours sincerely,

C. G. MACNEIL,
*Dominion Secretary-Treasurer,
G.W.V.A. of Canada.*

That is the letter which I received, and I replied to this effect under date of yesterday:—

C. G. MACNEIL, Esq.,
Dominion Secretary-Treasurer,
Great War Veterans' Association of Canada,
Ottawa.

DEAR SIR.—I beg to acknowledge receipt of your favour of the 25th instant and have duly noted contents thereof.

I shall be very glad to be of any service possible to your organization as long as such service does not interfere with my obligation or my duty as a Member of the House of Commons, it being understood, of course, that such service will be entirely without compensation of any kind, I see no objection to assisting your organization before the Senate Committee. I shall, however, feel at liberty to read your communication with this reply to the Members of the Committee and invite their judgment as to whether or not there would be any possible impropriety in my undertaking this task.

Now, Mr. Chairman, that is the position which I put frankly before the Committee. If the Committee feel that there is any impropriety under the circumstances in me undertaking to assist the Committee on behalf of the organization in question, or that it is undesirable, I shall of course at once withdraw. I would have hoped that perhaps the Committee could have appointed counsel for the Great War Veterans' Association, who could have much more adequately assisted them than I can under the circumstances.

The CHAIRMAN: We are to understand this is a formal request on the part of Capt. Shaw to act as counsel for the G.W.V.A. Is there any objection, honourable gentlemen?

Some hon. SENATORS: None.

Hon. Mr. GRIESBACH: There could be no possible objection. I understood Capt. Shaw to ask us to express an opinion as to the propriety of his appearing. I do not know that we are called upon to do that.

The CHAIRMAN: I do not see any impropriety at all. Of course Capt. Shaw cannot hope to get any fee of any kind, because, as a Member of Parliament, it would be against the Act of Independence of Parliament. But he does not ask for any, and that being put aside, I cannot see any objection at all.

Hon. Mr. GRIESBACH: I think some exception may be taken to the contents of the letter from the Great War Veterans' Association to Capt. Shaw referring to "trial" and to "grave charges." I am curious to know what those grave charges are.

The CHAIRMAN: I understand there are no charges of any kind, grave or otherwise.

Hon. Mr. GRIESBACH: I am responsible for moving for the Committee, and all I have asked for is to be told what happened to the funds appropriated from the Canteen Fund and the Disablement Fund.

Hon. Mr. MACDONELL: Merely an investigation.

The CHAIRMAN: That does not imply any charge of any kind. I did not understand there was any charge made of any sort, directly or indirectly. These are public moneys or quasi public moneys, and we are entitled to know what use has been made of them in the past, and what use is to be made of them in the future. Parliament and the Government are interested in knowing what has been done if only to enable them to decide what will be done with the rest of the money. That is all this investigation is for, I think.

Hon. Mr. GRIESBACH: What procedure is to be followed this morning? Can you give us information as to when the auditors' report is to be ready?

The CHAIRMAN: I assume the Committee agrees that Capt. Shaw may attend our meetings for the purpose of looking after the interests of the G.W.V.A.?

Hon. Mr. LAIRD: But expresses no opinion on the further question.

The CHAIRMAN: There is no necessity for that.

We have before us now the audit made by Blatch and Bounsall—(Exhibit No. 1)—and the question is whether this gives the Committee the information covered by the resolution of the Committee, or gives any information at all as to the real purpose of this investigation. I would like to know what the members of the Committee think about that?

Hon. Mr. GRIESBACH: I would like to seize the opportunity to ask a few questions of Mr. MacNeil in respect of this statement to arrive at some conclusion as to the value of the report.

The CHAIRMAN: Is it the desire of the Committee to hear Mr. MacNeil? It may be well to read again the order of reference so that we may have clearly before us what the duty of this Committee is. "To inquire into all matters

relating to or arising out of the following matters, namely, the administration of the Canteen Fund and the Disablement Fund, and the uses to which the advances from these funds have been put, the manufacture and sale of paper poppies by the Department of Soldiers' Civil Re-establishment and their re-sale by various ex-soldier organizations; and that the said Committee have power to send for persons, papers and records," and so on.

I would like to know from the Committee what is the opinion of the Committee as to whether this audit made by Blatch & Bounsall is going to help us materially or in any way in the investigation which has been committed to us.

Hon. Mr. GRIESBACH: I was just going to suggest that I would like to put a few questions to Mr. MacNeil with respect to the statement that he has submitted, in order to throw some light upon that very question, as to whether or not this report is of value to us in our inquiry.

The CHAIRMAN: Very well.

Captain SHAW, M.P.: Mr. Chairman, may I make an observation just at this juncture? The scope of the Committee's action is as indicated in the Order from the Senate, but may I say that the poppy matter, the Disablement Fund and the Canteen matter do not extend beyond the year 1921. An audit has been ordered by the Committee of the affairs of this Organization from the beginning of the year 1919, and I think in fairness to the G.W.V.A. there should be some indication to them and to me, in order that we may know what to prepare for in that connection; because, of course, between the years 1919 and 1921 there could be no possible relationship to these three matters which are under consideration pursuant to the Order of the Senate.

The CHAIRMAN: But, Captain Shaw, we are not limited to time.

Captain SHAW: Well, I ask it only on behalf of the Association.

The CHAIRMAN: I know, but we would not be performing our duty if we imposed or accepted any limit of time. This covers the whole period.

Captain SHAW: But what I say, sir, is this,—the poppy matter did not arise before 1921.

The CHAIRMAN: What is the point of that?

Captain SHAW: Because you are going back to 1919, two years before the poppy matter arose at all, before this Organization had any control in the matter.

The CHAIRMAN: But that is on the assumption that some one or more of these matters go back to 1919; which of them I do not know.

Captain SHAW: But any one of them, sir. That is the point I want to make clear.

Hon. Mr. GRIESBACH: Just a moment, Captain Shaw. Suppose for the sake of argument that under an Order in Council by which \$1,000 was paid in 1921 it should appear that an indebtedness for 1919 was paid out of that sum of money, then you would say that it referred back to 1919.

Captain SHAW: Of course if that is the suggestion, then I think the Association should be informed of it, in order that they may gather the necessary material.

Hon. Mr. GRIESBACH: They are informed of it by the terms of the resolution.

Captain SHAW: That is the first I heard that because of some arrangement in 1921 and some portion of the Canteen Fund being appropriated then, it was used in paying some previously incurred indebtedness.

Hon. Mr. GRIESBACH: I am not saying it was. I say, suppose it was.

Captain SHAW: The point is that that would only go to the question of the Canteen Fund appropriation, as to how that was made, but it would not necessarily go back to 1919, that is, to require an audit of the books of this Organization.

Hon. Mr. GRIESBACH: Not with respect to poppies.

Captain SHAW: With respect to any purpose.

Hon. Mr. GRIESBACH: Oh, yes.

Captain SHAW: What I say is this, sir, that if the appropriation from the Canteen Fund in 1921 was made for a specific purpose, and if, contrary to the direction in the Order in Council or contrary to the instructions of the trustees, the money was appropriated for a purpose that had arisen in 1919, then there is no necessity for an audit for that purpose; there is a clear misappropriation of those funds—there would be in that event.

Hon. Mr. GRIESBACH: All right. What is the difficulty of your clients letting us know whether or not that is so? If it is not so they do not need to worry.

Captain SHAW: But the point I want to bring out particularly is this. The auditors of the Soldiers' Civil Re-establishment have taken possession of all the documents of this Organization. They are in the office of the Great War Veterans' Association.

Hon. Mr. GRIESBACH: By consent.

Captain SHAW: By consent. These people are being put to a great deal of inconvenience, by consent also, but it is to meet the wishes of this Committee. Now, if it is unnecessary to go back before 1921, then certainly the work of the Committee will be expedited and certainly the inconvenience suffered by the Great War Veterans' Association will be thereby lessened. That is all I want to bring up for the purpose of expediting the matter.

Hon. Mr. GRIESBACH: That is a matter which might be arranged between the Chairman and the auditor, who can put some preliminary information before the Committee.

The CHAIRMAN: The Chairman is not in a position to say one way or the other. I do not know what this investigation is going to disclose.

Hon. Mr. GRIESBACH: Quite so.

The CHAIRMAN: I cannot tell that what was done in 1921 would not involve advances made in 1919, for instance. I cannot tell that. Only the evidence before us will disclose that. There is no limit to our investigation. "The administration of the Canteen Fund and the Disablement Fund and the uses to which advances from these funds have been put," and so on. So it is too early now to fix a time, Captain Shaw, as to how far the investigation should go, or how late. I cannot decide that.

Hon. Mr. DANDURAND: It strikes me that if the Association could satisfy the auditors or the Chairman that they had a balance in 1921, at the moment when these various operations began, there would be a foundation there to start upon.

The CHAIRMAN: You mean a balance from advances?

Hon. Mr. DANDURAND: If there was a credit account.

The CHAIRMAN: From advances?

Hon. Mr. DANDURAND: That is to say, if their finances showed a balance in 1921.

The CHAIRMAN: No. That is just what I want to point out. They have finances altogether outside of those funds or advances. They have collected moneys from their own men. We have no right to investigate that. I do not suppose that is covered by this reference at all.

Hon. Mr. DANDURAND: But if they owed \$25,000 on their operations of 1920-21 and, as was said by Captain Shaw, if they paid out of appropriations from those funds, debts or balances due on those previous operations, it goes without saying that these could be investigated as well. At all events it would appear where the money went and for what purpose it was paid. Of course this is a hypothesis only, because we do not know at all what is the situation.

The CHAIRMAN: Am I right in interpreting the Order of Reference? If I am not, I would like to hear a discussion on it. My understanding is that we are limited exclusively to the uses to which have been put the advances received by the G.W.V.A. from any one of these funds from the Dominion Government. Have we the power to look into any other question of finance affecting this Association? To me it seems clear that the Order of Reference does not cover funds for which the Association is not in some way accountable to the public. That is the way it strikes me.

Hon. Mr. GRIESBACH: I think it is one of those cases in which, if you were trying it in court, you would note the objection.

The CHAIRMAN: I would stop it. If I were the judge I would not allow it to go on at all. That is my view of the Reference.

Hon. Mr. GRIESBACH: You would not allow what?

The CHAIRMAN: My honourable friend is putting the case of a matter in court.

Hon. Mr. GRIESBACH: Yes.

The CHAIRMAN: I say that if I were the judge presiding at the trial and if evidence outside of the case were offered, I would not allow it in at all. Not only would I note the objection, but I would not allow the evidence. That would be my duty as Chairman.

Hon. Mr. GRIESBACH: But when that situation arises—

The CHAIRMAN: It would be my duty, after the members of the Committee have expressed their views, to decide whether a question put is pertinent to and covered by the inquiry.

Hon. Sir JAMES LOUGHEED: Are we not possibly magnifying the difficulty that Captain Shaw has pointed out? The auditors will have already completed that part of the audit, I fancy.

Captain SHAW: I understand the Soldiers' Civil Re-establishment auditor is here. I have inquired and am informed that it is going to take a very considerable time to go over this work. Perhaps he could tell more definitely than I. I do not know the gentleman.

Hon. Mr. MACDONELL: We shall be here a considerable time yet; so, I should hope, we have plenty of time.

The CHAIRMAN: May I ask you this, Captain Shaw? Will you tell us candidly whether you think that the Blatch & Bounsall audit is going to help this Committee in any way to discharge its duties as stated in the Order of Reference?

Hon. Sir JAMES LOUGHEED: While you are on your feet may I say this, as to 1919? Presumably the money handed out by the Government from the Canteen Fund in 1921 was to be applied on obligations then existing. Is that not the case?

The CHAIRMAN: In connection with these matters?

Hon. Sir JAMES LOUGHEED: Yes. Otherwise the Government would not have given them the money, would it?

Captain SHAW: Quite right. The Order in Council in each case set out very definitely and very clearly the purposes for which the funds are to be used, and the trustees are therein named for each of these specific funds.

Hon. Sir JAMES LOUGHEED: Would the application of the moneys extend to obligations of the Association in existence?

Captain SHAW: It might perhaps. I would not like offhand to say, but certainly it was for the purposes of the G.W.V.A., generally speaking, and their purposes ran concurrently with the purposes set out in the Orders in Council.

Hon. Mr. GRIESBACH: I draw your attention to Order in Council—

The CHAIRMAN: I would like Mr. Shaw to answer that question I put.

Captain SHAW: I have not had an opportunity, sir, to go over this, but I would judge that this Organization has had a general account. It has never run a special trust account for any of the funds received, because of the reason I stated, that the moneys received were to be applied for the purposes for which the G.W.V.A. was in existence. I understand—I am informed that the officers of the Department or some Department investigated the system of book-keeping. It is a pre-audit system, under which the auditor himself signs the cheque before payment is made. He examines the vouchers and signs the cheques. These auditors from the Department satisfied themselves as to the system of book-keeping, and, relying upon that, these people have put their funds into a sort of general fund. Now, whether or not this report will allocate the particular fund and definitely point out the uses made of these specific funds mentioned in the Orders in Council, I cannot say at the moment.

The CHAIRMAN: It does not, manifestly.

Captain SHAW: I hesitate to think it would, because of the reason I say, that the purposes of the G.W.V.A. are exactly in line with the purposes for which the money was voted.

Hon. Mr. DANDURAND: That is, the moneys were all merged into one fund?

Captain SHAW: That is what I understand, sir.

Hon. Mr. GRIESBACH: As I say, I want to ask Mr. MacNeil a few questions before we adjourn—just a few questions to bring out certain points.

The CHAIRMAN: Is it the desire of the Committee to hear Mr. MacNeil?

Mr. C. G. MACNEIL, Dominion Secretary-Treasurer, Great War Veterans' Association, recalled:

By Hon. Mr. Griesbach:

Q. Mr. MacNeil, in a statement given the Department with respect to the expenditure of \$28,449.57, the moneys supplied under Order in Council P.C. 2378, you submitted an account for \$28,000 odd. Do you remember that?—A. Yes, sir.

The CHAIRMAN: What page are you reading from?

Hon. Mr. GRIESBACH: I am reading from the return to the House accounting for \$28,000 of a vote of \$50,000. There is a payment there of \$8,000 to the Veteran for subscriptions. The question I am asking you is this: In the report now submitted and now before this Committee (Exhibit No. 1), under what heading in the items of expenditure did that \$8,000 appear?

Mr. MACNEIL: Membership information service.

By Hon. Mr. Griesbach:

Q. So that we have here an item of \$44,573.73 as membership information service; is that the item?—A. It is included in that.

Q. Are there any other items of the same nature included in membership information service for the payment of this \$8,000 to the Veteran? Can you recall any other considerable items for that amount?—A. That is the principal item. There may be other items. I did not prepare this statement.

Q. Who prepared it?—A. Prepared by the auditors. It is prepared from our ledger.

Q. The term Membership Information Service seems to be a pretty broad item when it includes the item of \$8,000 paid from this Canteen Fund money to the Veteran for subscriptions; that pretty broad term here includes that amount, is that it?—A. It includes that; that is my understanding.

Q. Then under the head of Assets you show here a lot of items, of \$50,000 odd, part of that \$50,000 consisting of \$25,000 worth of stock, par value, of the Veteran; will you tell me when your organization acquired that stock?—A. Without consulting the records, they acquired that stock in 1918, paid for it in 1920.

Q. How much did they pay?—A. Full value.

Q. \$25,000?—A. \$25,000.

Q. Does the Veteran own a printing plant?—A. No, sir.

Q. Any property at all?—A. Property in the form of equipment only; no real property.

Q. What sort of equipment?—A. Like mailing machines, perhaps, or addressograph machines, etc.; it is equipment.

Q. The staff consists of an editor, who writes the matter and sends it to the printer?—A. We have a business office, with staff and equipment.

Q. How many people on the staff?—A. I should say about four, including the full-time and part-time employees. Apart from the staff we employ a staff under arrangement with the publishers, who undertake a portion of our work, so there are charges against administration which would be chargeable for that.

Q. What is the value of the property owned by this paper?—A. I am not prepared to give that off-hand; I would rather speak from the statement.

Q. The books would show the payment of \$25,000 for this stock?—A. Yes, sir, it is shown there.

Q. Shown where?—A. On the statement.

Q. Whereabouts on this statement?—A. As an asset of \$25,000.

Q. It is shown as an asset here, quite true; but having paid the money out, it would appear as an expenditure in some other place; where does it appear as an expenditure?—A. I feel that question should be answered by the auditors.

Q. Do you say as a matter of fact, that \$25,000, real money, was paid for that stock?—A. I know as a matter of fact it was paid.

Q. From the funds of your organization?—A. From the funds of the organization, in 1920.

Q. But you do not know where it appears in this statement; it should appear, should it not?—A. It will not necessarily appear as an asset and at the same time as an expenditure in the form in which the statement is drawn up.

Hon. Mr. BLACK: As an investment.

By Hon. Mr. Griesbach:

Q. You must account for the moneys received. This is a statement which is submitted by your organization and surely must be a statement to be understood; what is the value of the property owned by this paper now?—A. That would appear in the books of the Veteran, Limited. I would not care to give the information off-hand.

Q. You have no idea what it is worth?—A. I have an idea, but I would not like to speak with precision.

Q. What is your idea of the value of this stock? Do you say it is worth \$25,000?—A. I would not contend that for a moment, sir.

Q. Then why does it appear in this statement as having that value?—A. It must so appear as a book-keeping entry.

Q. No, I should not say so; it should appear at its real value in a statement of assets and liabilities; it should be put down at its real value, or it might appear in the statement of Profit and Loss, but it appears here as an asset?—A. Neither the auditors nor the Secretary-Treasurer of the Association would have authority to reduce its valuation without reference to the General Association.

Q. But the auditor would not be justified in putting this in here as worth \$25,000 if it is not?—A. It is stated as its par value of \$25,000.

Q. But it appears as an asset; this is supposed to be a financial statement the sort of statement which a company would put forward to induce investors to invest; it must mean something; it must mean that this must represent to the public and your organization that it is worth \$25,000 when it is not?—A. It simply means that we have in the custody of the Association the stock certificates of the Veteran, Limited.

Q. I beg pardon?—A. I have in my custody as Secretary-Treasurer of the Association stock certificates of The Veteran, Limited.

Q. And you do not think that you should give any idea to your shareholders of the real value of that stock. It is a very important matter, because it forms half of the alleged surplus, and if it is worth \$25,000 of real money it has a right to appear as such, but if it is not then it has not any right to appear there as of real value; you cannot tell me what it is worth, nor can you tell me anything which would enable me to form an opinion of what it is worth, only you say it is not worth \$25,000, anyway?—A. I do not contend that it is worth \$25,000. It appears there as an asset. I said I did not contend it was worth \$25,000. We have merely stated for the purpose of this statement the par value of the stock.

By the Chairman:

Q. What do you mean by stock?—A. The Association owns and operates a journal known as "The Veteran." There is a separate company, The Veteran, Limited. The shares of that company are held by the Association.

By Hon. Mr. Dandurand:

Q. It was not bought as a going concern?—A. No, sir.

By Hon. Mr. Black:

Q. But you get your papers printed by a printing firm?—A. Under an ordinary publishing contract.

By the Chairman:

Q. Who does this \$25,000 go to? Who got the \$25,000?—A. That was put into The Veteran, Limited, by the Association.

Q. You mean there is a company incorporated?—A. Yes, sir, The Veteran, Limited.

A. Dominion incorporation?—A. A Dominion incorporation.

Q. By letters patent or by Act of Parliament?—A. Under the Dominion Companies Act.

Q. And this \$25,000 was taken out of the common fund of the Association and paid into this company in exchange for \$25,000 of stock?—A. Of stock. The ordinary arrangement for incorporation.

Q. Where did that money come from?—A. The Association funds, in 1920.

Q. Is it earmarked in any way? Can you say whether it is Government funds or?—A. Strictly Association funds, sir.

The CHAIRMAN: I do not think we have any right to go into that at all.

By Hon. Mr. Griesbach:

Q. I want to ask a further question. I should like to ask whether this \$25,000 contains the \$8,000 referred to in this statement here?—A. No, sir.

Q. No part of it at all?—A. No, sir.

Q. And your statement will show \$25,000 in cash from your funds to purchase this stock?—A. Yes, sir.

Q. Then there is an amount here—indebtedness of The Veteran, \$10,390.17. May I ask you what prospect there is of that account being paid in full, one hundred cents on the dollar, by The Veteran? What is that account worth?—A. I cannot attempt at the moment to place any definite valuation on that account for the reason that we are awaiting the completion of the financial statement of The Veteran, Limited.

Hon. Mr. LAIRD: Is the Veteran paper worth it?

By Hon. Mr. Dandurand:

Q. Are these moneys also advanced by the Association?—A. No, sir, that means expense incurred on behalf of The Veteran, Limited. By arrangement the business offices are established in Toronto—

Q. But that is money advanced by your Association?—A. No, sir, services rendered for which we may justly claim reimbursement from The Veteran, Limited; no actual cash expenditure.

By Hon. Mr. Black:

Q. In the statement of your assets you show \$51,685. As a matter of fact, of real live assets there would be somewhere between \$1,000 and \$5,000 of recoverable assets. I know something of financial statements, and I think that is a fair statement.

Hon. Mr. LAIRD: It depends on what The Veteran Company is worth.

Hon. Mr. BLACK: It is pretty apparent that it is not worth much.

Hon. Mr. LAIRD: The franchise of The Veteran might be worth something. You know what the franchise of a newspaper is worth.

Hon. Mr. BLACK: I know as a rule they are not worth very much.

By Hon. Mr. Black:

Q. Is not that a fair statement, that if you realize on those assets you might get \$1,000 to \$5,000? I wouldn't give \$1,000 for those assets. That may not be pertinent at all. You put \$25,000 into it in cash?—A. It is worth a great deal more than that; you must consider—

Q. You have to put \$10,000 more cash in it, and there is \$35,000, and if you wanted to realize on it I know you would not realize any more than your office fixtures?—A. The same thing is true of real estate; you might not be able to market it.

Q. Good will in a newspaper, particularly one that has not a press but is going to a publishing house to issue its paper?—A. From the standpoint of the Association, we own the journal which has a bona fide circulation of 40,000, approximately. It is meeting its current expenditure with current revenue, and it has certain advertising contracts extending over the next year. Furthermore, it is an instrument of the Association to convey information to the members generally.

Q. It has a sentimental value which may be very large, but the value out of which you are going to derive money is nothing?—A. It is a matter of opinion, sir.

By Hon. Mr. Griesbach:

Q. There is another matter. In this statement accounting for \$28,000 of the first \$50,000, there is an item of \$60 a month for propaganda. Will you tell us what that money was spent for?—A. Which statement, sir?

Q. The statement of the \$28,000 submitted by you?—A. I have not given very much consideration to that statement. It is a partial statement, after all.

Q. Well, it is the only statement we have. Here is the sum of \$60 a month which has been paid for propaganda. I would like to know for what purpose it was paid and what value was received, and so forth?

Hon. Mr. DANDURAND: What is the statement?

Hon. Mr. GRIESBACH: I am referring to the statement laid on the Table of the House.

By Hon. Mr. Griesbach:

Q. The amount is \$60 per month for propaganda. I would like to know what it is for?—A. I would have to refer to the ledger to make absolutely certain.

Q. You cannot remember?—A. In a general way it was carrying out the wishes of the trustee—

Q. Over the wires of the Canadian press?—A. No, through the columns of our paper.

Q. What paper?—A. Through the columns of *The Veteran*, and the bulletin service of the Association.

Q. And the amount was not paid by cheque month by month to any individual outside your office for the preparation of this stuff?—A. We employ part time assistance of a number of men of ability to prepare contributions. That is a matter of arrangement. With *The Veteran* staff only a limited staff, we would be required to accept contributions from writers who market their work.

Q. Then I put it to you this way. Do you say that this sum of \$60 a month was not paid in one cheque to an individual monthly?—A. I cannot say without reference to the ledger, sir.

Q. Will you say that it was not paid out for an individual who spread that propaganda on the wires of the Canadian Press?—A. We would have no such opportunity to do such a thing, sir.

Q. But I am asking if it is so or not? Never mind whether you had an opportunity or not. Say yes or no.—A. That was never done.

Q. It was never done?—A. No. Our work had no relation whatever to the Canadian Press.

Q. Quite so. But here is an item of \$60 a month. It is rather curious. If you had a number of people you would think the amount would vary, but it does not vary; it is \$60 for each month.—A. One month, sir.

Q. Two months.—A. Oh, two months.

Q. There are only two months in the statement. I am curious to know whether that was continued for a period of months, and if so, for how long a period?—A. Oh, I think it was indefinite and irregular.

Q. Indefinite?—A. Just as we required assistance in the preparation of advertising copy and special articles.

Q. This \$8,000 paid to *The Veteran*, mentioned here—what was that actually for?—A. By arrangement with the trustees we sent *The Veteran* at a fixed price to members of the Association, through branches submitting lists of names of their members. That is *The Veteran* was made available—*The Veteran* was made an instrument to convey complete information with regard to the affairs, alleged state of affairs, of ex-service men, by arrangement with the trustees. As the branches submitted their lists we forwarded them copies, subscriptions to *The Veteran*.

Q. You say that that particular expenditure for that particular purpose was approved of by the trustees?—A. In a general way, sir. I have the Minutes, sir.

Q. By Order in Council No. 3648 of September, 1921, Order in Council No. 2378 of July was amended in these words: "That in respect of all future payments made by the Great War Veterans' Association, the said Association shall be bound to apply the same for the benefit of unemployed returned soldiers in Canada and their dependents." Would you say that these expenditure to which I have drawn your attention are in accordance with the Order in Council?—A. When we were advised of that Order in Council we informed the trustees it would be impossible for us to complete its terms, the sum of money available not being sufficient to meet the needs of the unemployed in Canada at that time. Subsequently 3887 was passed.

Q. These observations of yours are in writing, are they?—A. I am not certain. I attended several times before meetings of the Board of Trustees.

Q. Could you produce any letters there are with respect to varying the terms of the Order in Council or departing from it in any way?—A. I have no correspondence on that point. The Orders in Council—the subsequent Order in Council 3887 and our payment cleared up the whole situation.

Q. Are these representations, made by you to the trustees, made after meetings of your own executive and in accordance with the views of your executive committee?—A. Entirely in accordance with the views of the executive committee, and usually in consultation with the sub-executive.

Hon. Mr. GRIESBACH: That of course opens a new avenue of inquiry. We shall have to have the trustees to submit their Minutes, as to what instructions they issued from time to time.

The CHAIRMAN: Yes. Does any other gentleman wish to ask any questions. I would like to ask just one or two, Mr. MacNeil.

By the Chairman:

Q. I know nothing about your Association. Are you incorporated?—A. Yes, sir, under the Dominion Companies Act without share capital.

Q. Without share capital, under the Dominion Companies Act You do not use the word "Limited", do you?—A. Incorporated—"Inc." should be used.

Q. Oh, that is wrong. That is contrary to the law. If you have got letters patent the law obliges you to use the word "Limited". "Inc.", that is an

American thing, altogether it is not Canadian. The sooner you stop that, the better.—A. I am not posted on that.

Q. Well, you are now.—A. Thank you.

Q. Tell me, have you in your books—whether journal, day book, or whatever you choose to call it—any accounts headed “Canteen Fund”, “Disablement Fund”, “Poppy Fund”?—No, you will not see it there, I think.—A. The revenue, sir, shows it.

Q. Does it?—A. “Advances Canteen Funds, \$130,000”.

Q. What are you reading from?—A. The Statement of Revenue, Exhibit No. 1.

Q. What page?—A. The third page, towards the end.

Q. Wait till I get that. Yes. “Advances Canteen Funds”. Now, the detail of that \$130,000 will be found under the heading “Canteen Funds” in your books?—A. The receipts, yes, sir, will be found under the proper heading.

Q. Do you mean the \$130,000?—A. Yes, sir.

Q. Where shall we find the details of the uses to which that \$130,000 had been put?—A. That would be distributed, sir, under the various heads.

Q. What heads?—A. Of all expenditure conducted in respect to the terms of the Order in Council.

Q. Your books will show to whom, on what dates and in what amounts this total sum of \$130,000 was paid out?—A. Every expenditure made.

Q. Every dollar of that expenditure? That is what this Committee wants.—A. May I point out that your Order was—

Q. We have nothing here to indicate one single payment to any one individual at any one time?—A. May I refer to the Order I received from the Committee, sir? It said—referred to an audit required by the S.C.R., not only with regard to these expenditures, but also “a statement of receipts and expenditures of the said Dominion Command of the Great War Veterans’ Association of Canada from the beginning of 1919, year by year, until the present time, showing briefly the receipts, the origin of the same, and the expenditures, the nature of the same, and (c) a statement of liabilities and assets of the said Dominion Command of the Great War Veterans’ Association”.

Q. Mr. MacNeil, can you tell how this Committee is going to discharge its functions unless it is furnished with a statement of the uses to which were put, for instance, these Canteen Fund advances of \$130,000? Unless we get that, can you tell me how this Committee is going to discharge its duty?—A. I am not competent to express an opinion, sir.

Q. But you have read the Order of Reference?—A. It was supplemented, sir, by the Minutes of the Committee.

Q. Yes, yes, but you know what duty has been cast upon this Committee by the Senate?—A. Yes, sir.

Q. Well, can we discharge that duty, or begin to discharge that duty, unless we are given the details of this expenditure of \$130,000?—A. Well, I have the complete statement there.

Q. Where is it?—A. That is, a consolidated statement, sir.

Q. No, no. Surely I make myself plain enough. How can we discharge our duty here unless we are told to whom, at what dates, and in what amounts, this sum of \$130,000 has been paid?—A. That is recorded here, sir—the expenditure, as well as the additional—

Q. Do you mean the total amount of the expenditure is recorded? We have no items there to indicate anything?—A. Those items are not to be included in any financial statement.

Q. You understand thoroughly, Mr. MacNeil, and I am surprised you have so much difficulty in answering a very plain question; I will not put it again to you; you know exactly what I want.

By Hon. Mr. Dandurand:

Q. Mr. MacNeil, what is that item in your expenditure—Membership Information Service, \$44,573.73?—A. That is chiefly the payment of those subscriptions to *The Veteran* on behalf of the membership.

Hon. Sir JAMES LOUGHEED: I do not see anything about *Veteran* there—Membership Information Service.

By Hon. Mr. Dandurand:

Q. Can you explain that?—because I do not make out what it means?—A. By arrangement with the Trustees, when the branches submitted their list of members we placed those men on the subscription list of *The Veteran, Limited*, and paid over accordingly.

By Hon. Sir James Lougheed:

Q. Did you pay over that amount of money?—A. Yes, sir, for subscriptions received.

Q. Then the War Purchasing Commission, \$92,000, what does that mean?—A. In 1919 an arrangement was made with the War Purchasing Commission by which we could distribute to ex-service men surplus military stores at cost, and, under arrangement with the War Purchasing Commission, that was done, as you will find in the supplementary under review.

By Hon. Mr. Black:

Q. Of course that \$44,000 having been paid for subscriptions, was of still less value to the paper because when you send it out you pay for each copy you send out to your own members; that is merely a matter of record; your franchise in *The Veteran* is of no value except a sentimental value?—A. We have never attempted to market it.

By Hon. Mr. Laird:

Q. Unless you paid the subscriptions for *The Veteran* you would have no paper?—A. We have a circulation of 40,000.

Q. But you paid it out of your fund?—A. No, that was discontinued the following year.

By Hon. Mr. Griesbach:

Q. You referred to having sought the consent of the Trustees to these expenditures; I have just been looking at the names of the Trustees—John Barnett, F. Parkinson, Robert B. Maxwell, who at that time was your Dominion President, and Grant MacNeil; you were careful, I suppose, to consult Mr. MacNeil and Mr. Maxwell about these things, as well as the others?—A. I think I should point out that the Order in Council refers to submission to Cabinet, and you will find definite references to all these matters in that submission. We asked for the money, and in our request we stated the purposes to which we proposed to apply it, so there was no concealment.

Q. That was to the Trustees?—A. No, to the Dominion Government.

Q. You made the submission to the Trustees reviewing the submission to the Cabinet?—A. No, we made the submission to the Administration of the day, setting out the purposes for which the money was to be used. When the Trustees met they had the Order in Council in addition to their submission to the Cabinet.

The CHAIRMAN: If there are no more questions to be asked Mr. MacNeil I would like to ask one or two questions, or rather give instructions to the D.S.C.R. auditor. I believe Mr. Gallaughier is here; he is the chief, and I

would like to tell him what it is the Committee needs, in order that we may make sure that we are going to get it.

By Hon. Mr. Dandurand:

Q. Before Mr. MacNeil leaves I wish to ask this: I see that the revenue from per capita tax was \$121,927.13; what does that mean, in other terms; is that the membership?—A. That is payment submitted by branches in respect to per capita assessment on members.

Q. Is that a fixed sum that each member in your branches pays to the branch, and which is transmitted here to your Association?—A. There is a sum fixed, but it is not always remitted.

Q. That is what you are getting from your members?—A. The branches collect the dues. The dues are determined by the by-laws of the branch; we have nothing whatever to do with that. Then they may declare their membership strength for the purposes of representation at the Dominion Convention; then in order to bring themselves in good standing they must pay a fixed sum for each member so declared.

Q. Are they expected to collect more from each member than what they return to you?—A. That is by local arrangement under the local by-laws.

Q. That sum of nearly \$122,000, is that your regular asset, to be divided by six or seven years, from 1917 to 1925?—A. No, because by arrangement with the Provincial Command we are responsible for this collection if the full amount was not secured.

Q. So that this payment is an asset to this day?—A. Irregular, because by arrangement with the provincial branches we would allow them to conserve their funds for uses in connection with unemployment.

Q. Would that figure indicate the strength of those various branches?—No, sir, not at all.

Q. So you would not know whether there were ten members to a branch or fifty or a hundred?—A. Not by that item.

Q. But you have those figures?—A. We have other methods to determine it.

Q. But the money they are expected to pay would give you a fair idea of the strength of these various branches?—A. Not even a fair idea.

Q. No?—A. No, sir.

Q. They are not paying per capita?—A. They are not always required to.

Q. But I see per capita tax; you explain it is a per branch tax rather than a per capita tax?—A. Yes.

Q. Is it out of the per capita tax that those branches collect directly from their members?—A. In payment of membership dues that amount is not set aside. They collect their dues—\$3, \$4, \$5 or \$10, whatever it may be. We have nothing whatever to do with that.

By Hon. Mr. Black:

Q. They have to give to you so much per member?—A. Sixty cents per annum.

Q. Sixty cents per active member per annum?—A. That determines their voting strength at conventions.

By Hon. Mr. Laird:

Q. It is the usual system of fraternal insurance?—A. Except this, that a man may be in good standing as a member, and yet remission may not have been made in his behalf as a tax. We have not yet found and inaugurated a system which would O.K. his card. As a matter of fact, the branches have a strength of paid-up members much greater than that which they find it convenient to declare for the purpose of voting strength at the Convention. They regulate

their remissions on that score by the general needs of the Association. I am sorry, sir, when you asked your question, I had in mind the general remarks of Mr. Shaw; no instructions were received to create a special fund for the Canteen Funds.

The CHAIRMAN: I am not talking so much about funds raised; I am talking about the use to which the funds have been put.

By Hon. Sir James Lougheed:

Q. It stands to common sense; you have received from the public treasury a couple of hundred thousand dollars in all?—A. Yes.

Q. Then you anticipate receiving a hundred thousand out of the Canteen Fund for service hereafter; the presumption is it would be applied to purposes similar to what the other public moneys received have been applied to; now, it is only natural that the Committee should know what specific application you have made of those moneys?—A. We are prepared to go into those details.

Q. We have nothing before us as to that?—A. That would mean an extensive audit.

Q. The question naturally in the minds of the Committee is, if this other \$100,000 is appropriated out of the Canteen Fund Bill, or at least if provision is made in the Canteen Fund Bill for that, will it go the same as other moneys?

By Hon. Mr. Dandurand:

Q. Do I understand, Mr. MacNeil, that as you have had but one fund, and your whole expenditure was drawn out of that same fund?

The CHAIRMAN: I do not think it is right to assume that.

Hon. Mr. DANDURAND: That is what Mr. MacNeil says.

The CHAIRMAN: We will know that from Mr. Gallagher in two minutes.

Hon. Mr. DANDURAND: But Mr. MacNeil knows.

Hon. Sir JAMES LOUGHEED: Let us have Mr. Gallagher.

David Gallagher, District Inspector of Audits, D.S.C.R., was called.

The CHAIRMAN: Mr. Gallagher, you are the chief auditor in the D.S.C.R.?

Mr. GALLAUGHER: Yes.

Hon. Mr. GRIESBACH: Is he under oath now?

The CHAIRMAN: It is merely direction.

Hon. Sir JAMES LOUGHEED: It is merely for information.

The CHAIRMAN: You have begun an audit of the books?

Mr. GALLAUGHER: Yes.

The CHAIRMAN: Have you seen enough to be able to tell us, first of all, if all the moneys were put into one common fund without any distinction of apportionment of any sort?

Mr. GALLAUGHER: Yes; all those funds have been merged in one general fund; that is, grants from the Government of \$150,000, the War Purchasing Commission fund of \$92,000, and the general funds of the G.W.V.A. have all been merged in one general fund. These have been deposited in the same bank, and there is absolutely no distinction.

The CHAIRMAN: Have you found, in their books, accounts under the heading of Canteen Fund—let us take that item of \$130,000 by way of illustration—have you found—perhaps you do not agree with the amount, but have you verified what it is, that far?

Mr. GALLAUGHER: No, sir, I started in on the expenditure side of the statement.

The CHAIRMAN: I think this is the most illuminative way of getting at it; we have an amount placed at the debtor of the Association, under the heading of Canteen Fund, of \$130,000?

Mr. GALLAUGHER: Yes.

The CHAIRMAN: Let us assume that that is correct; that that is actually the total amount the Association has received from the Government, or for public services by way of Canteen Fund; can you tell us, by examining those books, to whom, at what time, and for what purpose those moneys have been paid? Can you give us the items, give us the particulars of this total sum of \$130,000?

Hon. Mr. MACDONELL: I think, since Mr. MacNeil has been under oath, it is only fair that all evidence should be under oath. I think, before we go further, that the auditor should be put under oath the same as Mr. MacNeil.

The CHAIRMAN: I do not propose to examine Mr. Gallagher.

Hon. Mr. MACDONELL: Still, he is giving evidence.

The CHAIRMAN: But I want to make sure that this Committee is going to be furnished—since we have not got it now—with the details of those expenditures; and it is only for that purpose—the Chairman of the Committee telling what the members of this Committee want.

Hon. Mr. MACDONELL: That is all right.

The CHAIRMAN: We want to know where that money was paid, what use has been made of it. Look at the order of reference.

Hon. Mr. MACDONELL: It is all right as long as he will be under oath later on.

The CHAIRMAN: Can you give us that?

Mr. GALLAUGHER: I am sorry to say it is absolutely impossible to earmark any particular item of expenditure against this particular item of \$130,000.

The CHAIRMAN: You cannot tell where any portion of that money went?

Mr. GALLAUGHER: It is impossible to earmark it. As I said before, it is impossible to earmark any one item of expenditure against this particular fund, for this reason—

The CHAIRMAN: Do you mean to say that you cannot find out from the books where any portion of that \$130,000 went?

Mr. GALLAUGHER: I can do this, sir; I can analyze the expenditure and state definitely in detail how the funds have been expended, that is, the general funds, including the \$130,000. For instance, their accounts show—the G.W.V.A. accounts show—a total expenditure of \$390,000; that is, a total revenue expenditure of \$390,000. Now, 50 per cent of that expenditure is made up of salaries and travelling expenses. Those two items are the main—constitute 50 per cent of their total expenses, and this \$130,000 you speak of is included in that expenditure.

Q. I see?—A. But there is no distinction. There is only one possible way in which that information could have been furnished, and that is by placing the funds in a special account.

Q. You cannot locate item by item, dollar by dollar, the expenditure of money?—A. Except under general heads.

By Hon. Sir James Lougheed:

Q. Was there any money in the treasury at the time this money was received which could be applied to the expenditure you speak of? Otherwise the presumption would be that this \$130,000 was expended for whatever obligations existed at that time. Would not that be the case? Assuming there was no money in the treasury at the time the \$130,000 was received, and that obligations were liquidated or paid immediately afterwards, I suppose it would be a correct assumption that those obligations were paid out of that fund?—A. Well, \$40,000 was received in 1921. I can tell exactly what funds were in the treasury at the beginning of that period. That is their accounts were closed off. The period in which that \$40,000 appear commences in March, 1920, and closes March, 1921.

By the Chairman:

Q. There is a statement here which just illustrates what I want. You have here: By cheque received of the Minister of Finance, deposited in the Bank of Commerce, \$20,000; and at a later date in the following month, you have \$10,000?—A. Yes, sir.

Q. Making a total of \$30,000. And the detail of that is given, items down to as low as \$5—A. Yes.

Q. Why cannot you get that for us?

Hon. Mr. GRIESBACH: It might be explained that that is the statement I referred to a moment ago—a statement supplied by Mr. MacNeil with respect to \$28,000 of the money under discussion. This statement purports to account for the expenditure, and in those amounts are to be found an item of \$5,000 odd for holding a convention; there is another item of \$8,000 payable to The Veteran, and there is another \$4,000 paid to some one else. That is the sort of statement we are after, and that is made up, I take it, from the books of the G.W.V.A.

The WITNESS: I question very much whether Mr. MacNeil—

By the Chairman:

Q. You understand what we want?—A. Yes, sir.

Q. But you cannot promise you are going to get it?—A. As I said before, all these funds: the G.W.V.A., the War Purchasing Commission funds and this \$130,000 are merged in the one account, and if you take it in chronological order you find the payments out of those funds combined.

Hon. Sir JAMES LOUGHEED: Get all the details you can get.

The WITNESS: I can give you a detailed statement of the expenditure—so much for salaries paid to each official of the G.W.V.A., so much for travelling expenses and so on.

The Committee adjourned to the call of the Chair.

THURSDAY, June 4, 1925.

Hon. Mr. Belcourt in the Chair.

The CHAIRMAN: Gentlemen, when we adjourned we requested Mr. Gal-
laughter of the Soldiers' Civil Re-establishment to complete his audit and to
endeavour to have it ready for us this morning. I do not know that it is

ready, but if it is, it probably would be conducive to expedition, so, with your permission, I am going to call Mr. Gallagher.

Captain J. T. SHAW: Mr. Chairman, may I have permission to refer to a matter before Mr. Gallagher takes the stand? The books of the Tuberculous Veterans' Association have been in the custody of a former secretary, Mr. Hind, who has been subpoenaed to appear before this Committee. I am instructed that the Tuberculous Veterans' Association has no relation whatever to any of the funds in question, and that they have been dispossessed of these books for some considerable time.

The CHAIRMAN: Where are they now?

Captain SHAW: In the custody of Mr. Hinds (Clerk of Committees.)

The CHAIRMAN: You say he has been dispossessed?

Captain SHAW: Mr. Hind, the Secretary, has dispossessed himself to Mr. Hinds, the Clerk of the Committee.

The CHAIRMAN: Oh, I see.

Captain SHAW: In view of the fact that these people have a convention coming off in a very short time, the President is anxious to get the books in order that he may make up the financial statement. I am told that the Tuberculous Veterans' Association has absolutely no relationship at all to any of the funds in question.

The CHAIRMAN: Had not you better let that stand until Mr. Hind is called as a witness?

Captain SHAW: If he were going to be called as a witness this morning, that would be quite satisfactory to me.

DAVID GALLAUGHER appeared as a witness, and, having duly sworn, testified as follows:—

By The Chairman:

Q. When you were here the other day you told us, if I remember rightly, that you probably would complete your audit within a week. Have you done so? Is it complete now?—A. Well, sir, I have not completed the work, but I am in a position to submit this morning a statement which will show in a general way the disposition of the sum of \$130,000 Canteen Funds.

Have you made more than one copy?—A. Yes, sir.

Q. These are duplicates, are they?—A. Those are all duplicates.

Q. The period covered is July 1, 1921, to August 31, 1922. Why did you take that year?—A. For this reason, sir—that on the 1st of July, 1921, the G.W.V.A. had in their treasury the sum of \$1,952.80. Their total receipts for the period covered by the statement were \$19,062.06. They received from the Canteen Fund \$130,000. This constitutes the total receipts during the period covered by this statement, namely, July 1, 1921, to August 31, 1922. Now, in this period they spent \$150,334.97, so that out of Canteen money they must have spent, and did spend, \$139,000—excuse me, \$130,000, approximately. The reason that I took this period was that all the Canteen funds were disposed of in this particular period.

Q. You mean there were no Canteen Fund accounts after that?—A. There were no Canteen Funds received after the 31st of August, 1922.

Now, in this same period \$29,000 was paid to the Veteran Limited, for propaganda. I am taking the name of the account as it appears in the ledger. That sum was paid out of the Canteen Funds and can be so earmarked in the records of the G.W.V.A. In addition to that sum \$2,700 was paid to provincial commands—and that sum can also be earmarked as having been paid out of the Canteen Fund. Taking this statement as a whole, about 85 per cent of this expenditure was paid out of Canteen Funds.

Q. Well, then, we are to understand that that is the end of the entries in the books with regard to the Canteen Fund; that there is nothing one way or the other since?—A. No, sir; there was a small balance left.

Q. Six hundred and seventy-nine?—A. Yes, that is the total fund on the 31st of August, 1922.

Q. That would be on the final balancing?—A. Yes, sir.

By Hon. Mr. Griesbach:

Q. How is that amount to The Veteran Limited, made up? They got \$25,000 stock. Can you give us any details of that?—A. There are two accounts on the records of the Association,—The Veteran Limited, which takes care of the stock of \$25,000 subscribed by the Association. That stock was paid for by making a number of payments to The Veteran Limited, on various dates, presumably for the purpose of liquidating their obligations. I say that on the strength of certain notations which appear on the stubs of the cheques.

Q. It is not a cash payment of \$25,000, but a series of payments?—A. Yes.

Q. Apparently settling indebtedness?—A. Yes, sir.

Q. That is \$25,000. And the remainder was made up of what? The same sort of payments? Was the difference between \$25,000 and \$46,000 continued in the same series of payments?—A. No, sir. This \$46,000 is a separate transaction entirely. It has nothing to do with the stock.

Q. It is additional to the stock?—A. It is additional to the stock, yes, sir.

Q. So they bought stock as well?—A. Yes, sir.

Q. So The Veteran got \$46,000 plus \$25,000?—A. Yes, sir.

By Captain Shaw:

Q. Not from the Canteen Fund?—A. Oh, no, sir, not from the Canteen Fund.

By Hon. Mr. Griesbach:

Q. I see. This is what you would say from the Canteen Fund?—A. The stock was paid for in the year 1920, previous to the receipt of the Canteen Fund.

Q. And in looking up the payments to March, how did you find those payments? In the series of cheques?—A. You are referring now to the \$46,000?

Q. No, the item of \$1,125, J. E. March?—A. That is made up of monthly payments.

Q. Of how much?—A. Commencing with \$60, and ending with \$80.

Q. Covering what period? Covering the period under discussion?—A. Starting in September, 1921, until October, 1923, when payments ceased.

Q. And who is Mr. March? Did you find out?—A. No, sir.

Q. You do not know who Mr. March is?—A. I didn't have time to inquire.

Q. He got \$60 a month and then \$80 a month?—A. Yes, sir.

Hon. Mr. BLACK: I suppose that is Mr. March, the newspaper correspondent?

Captain SHAW: Yes, sir, quite right.

The CHAIRMAN: Has the witness prepared a detail of these various items? For instance, take the item of salaries. If Mr. Gallagher has a statement in detail of that it would save a great deal of time, I think.

By the Chairman:

Q. Have you such a statement?—A. I have a statement of salaries from the 1st of January, 1919.

Q. No, no. For this one year? You have there different bulk items, and I am asking if you have detailed statements?—A. Not for that particular period, but I can very easily supply that.

Hon. Mr. BLACK: I do not think this covers one year, but runs into 1923.

By the Chairman:

Q. Have you those details with you for this statement?—A. Not complete, sir.

Q. When could you have them?—A. I could have those within a few days. I did not have the time to prepare subsidiary statements showing in detail the expenditure, but the information is available now.

Q. Will you try to have that as soon as you can.

By Hon. Mr. Black:

Q. I am not questioning this statement, but am I right in saying that this is a statement of the Canteen Fund expenditure, but that it covers more than the period between 1921 and 1922?—A. No, sir, it covers—

Q. Then why do you say this amount of \$1,125 paid to Edgar March covered a period up to 1923 sometime?—A. That is a misunderstanding.

Hon. Mr. GRIESBACH: That is my question. How long he was employed. He was employed after the Canteen Fund went out.

By Hon. Mr. Black:

Q. That is what I want to get clearly, because it materially affects the value of the statement?—A. I can give you that information in a few minutes. From September, 1921, until—these payments were continued during the period of the statement.

Q. That is the \$1,125?—A. \$60 a month was paid from September up to December, then the payments were increased to \$80, and continued until the 31st of August and beyond.

Q. This \$1,125 was paid within these dates?—A. Yes, sir.

Q. And all the payments appearing on this were paid out in that period?—A. Yes, sir.

Hon. Mr. GRIESBACH: Do I understand, Mr. Chairman, that Mr. Gallagher is going to submit to us a statement in detail of the lump sum items here? If so, I shall not put the question I was going to put now.

The CHAIRMAN: It is for the Committee to decide.

Hon. Mr. GRIESBACH: If he can do it, it will save a lot of questioning now. I was going to ask a question such as this: I find in the statement submitted by Mr. MacNeil accounting for \$28,000 odd an item for the expenses of a convention, of \$5,316.29. I see here in this statement, "Convention expenses \$2,470.74." I am wondering what has become of that item, whether the remainder of the item is included in travelling expenses.

By Hon. Mr. Griesbach:

Q. Do you know, Mr. Gallagher? I think you are familiar with that statement accounting for \$28,000 odd?—A. Yes, sir.

Q. It shows the expenses of the convention as \$5,316.29. I am wondering what has become of that item; how it is accounted for. You have here "Convention expenses, \$2,470." I was just wondering whether any part of the travelling expenses carries that item.

The CHAIRMAN: Apparently that does not include it, because it forms a separate item in the total addition.

The WITNESS: I think perhaps the greater part of that was expended previous to the 1st of July, 1921. This statement which you refer to covered up to the 31st of August, 1921.

By Hon. Mr. Griesbach:

Q. This statement bears the date, Port Arthur, July 4, to July 9, 1921, and the amount is \$5,316.29, and the list of persons whose expenses were paid is given here?—A. I would have to examine the records to state definitely.

Q. The item here for convention expenses is only \$2,470. I am wondering what has become of this item. I am referring to the statement laid on the Table of the Senate accounting for \$28,000 odd of this whole sum of \$130,000. There were no other statements; merely this one statement which we received. Now this statement has an item here, "Convention expenses, July 4 to July 9, 1921,"—which is within the period covered by the statement before me—and this item is for the payment of expenses of delegates to a convention at Port Arthur, and it amounts to \$5,316.29. That is a fixed amount which appears subsequently in a general balance, I think?—A. There is no part of that included in this item of \$2,470.

Q. No part of that?—A. No, sir, none. I have the details before me showing how that amount is made up.

Q. Then, where does this amount appear in the statement?—Would one of those lump sum items carry that?—A. It might be in travelling expenses.

Q. It might be in travelling expenses?—A. Yes, but I haven't got to that particular item. I do know that no part of that is included in the item which appears on this statement.

Q. In making up the statement you have just submitted, did you have this statement before you? Did you make any use of the statement accounting for the \$28,000 odd?—A. No, sir, but I examined the statement previous to that for a smaller sum. That statement, I understood from Mr. Dobson, the accountant of the G.W.V.A., was more or less of an estimate. Of course, I didn't go into the matter fully.

Q. It is not an estimate. It is dated July 22nd?—A. The statement previous to that was an itemized statement prepared from the expenditure as it appears on the cash book.

Hon. Mr. GRIESBACH: Now, there are certain lump items here such as travelling expenses and salaries, and so forth. If Mr. Gallagher is prepared to give us some itemized statement of those lump items of salaries and travelling expenses there need not be a continuation of this questioning now.

By the Chairman:

Q. I notice some items as to which there will likely be no detail. I notice, "R. B. Maxwell (honorarium) \$3,000." That may be an item you will want to investigate, and there are certain others of the same character. Whether you want to inquire as to those this morning I cannot say.

Hon. Mr. GRIESBACH: It stands by itself, and you can have your own opinion about it. There might be a question as to whether or not it was authorized by resolution of the Committee, and so forth. We cannot get it back, anyway.

By the Chairman:

Q. This statement covers merely Canteen Funds?—A. Yes, sir, and—

Q. Except those two items, the balance of \$1,952, and general receipts?—

A. Yes, sir.

Q. General receipts would be other than those from the Government?—A. Yes, sir.

Q. This does not purport to be a statement accounting for the receipts and expenditures regarding anything but Canteen Funds. For instance, it does not take in Disablement Funds?—A. No, sir, I did not have time.

Q. Never mind the reason. I only want the facts. You will furnish us later with a general statement for the Disablement Fund, and a detail of that statement?—A. I do not think it would be possible to supply a detailed statement of the Disablement Fund. The Disablement Funds, sir, were deposited in the general account.

By Hon. Mr. Griesbach:

Q. Were or were not? What did you say?—A. Yes, sir, they were.

By the Chairman:

Q. From what other source did the Association receive funds? Canteen, Disablement,—what else? War Purchasing Commission? What about that?—A. That is merely a cross entry on their records. They received \$92,000—

Q. How did they receive it? In money?—A. Yes, sir, in money, and that was turned over to the Receiver General.

Q. Turned over to the Receiver General?—A. I did not have an opportunity of going into—

Q. Why would they get it and turn it over immediately like this?—A. It was turned over in small sums from time to time.

Q. The whole item is reported?—A. Yes, sir. I have not gone into the account, but there appears on their records the sum of \$92,000 odd, I understand, which was received from the sale of war material, and the total amount was turned over to the Receiver General.

Q. You will have to give us some more definite information. What I am trying to get at for the moment is this—I am trying to ascertain exactly under what heads you have made or are to make statements. This deals surely, as you have told us, with Canteen Funds. You are going to give us a statement generally, and in detail later on, of Disablement Fund. I suppose you will have the same thing with regard to War Purchasing Commission?

HON. MR. GRIESBACH: Do you not think Mr. MacNeil can tell us what we want to know about the War Purchasing? If that was a commercial transaction, as it probably was. Apparently if the Government is satisfied with that, that is all we can get of that.

The CHAIRMAN: As Mr. Gallagher has not gone into that—

HON. MR. GRIESBACH: My own view is that he should not waste his time going into that.

The CHAIRMAN: Do any other members of the Committee wish to ask any questions?

HON. MR. GRIESBACH: In order that the energy of the auditor may be directed towards what we want—this item of salaries; I am not asking for a detailed account of that—it would be sufficient, it seems to me, to know just what the salaries were, clerical help so much, and the outstanding—

Captain SHAW: We are prepared to give that. That is all available.

HON. MR. GRIESBACH: A brief statement to that effect—clerical help in the office so much, and the permanent officials who received large salaries—a statement of the amount involved and the names of the individuals. That will take only ten minutes to do. If we send him away from here to prepare

long lists of salaries, he will waste a lot of time. And similarly, with travelling expenses. That can be examined with a view to determining whether it includes conventions or officials of the organization who travelled—an outline of that ought to take a very short time. I am putting it that way to save time, and to direct the auditor so that he will not go wandering over the whole field.

By the Chairman:

Q. May I ask this: I notice furniture and fixtures, \$5,861.74. Have you been able to ascertain if this was all purchased in the one year—in that particular year mentioned in this statement?—A. Yes, sir, it was all purchased in this period.

Q. Do you know when this office was equipped?—A. I do not, sir.

Q. I mean when it first opened and equipped?—A. I understand the office opened some time in 1917, or the beginning of 1918.

Q. Have you been able to find any other expenditure for furniture and fixtures prior to 1921?—A. There is \$4,900—about \$5,000. The total value of the furniture carried on the record is \$10,000, almost \$11,000. This, of course, is part of that \$11,000 which appears on the balance sheet.

Q. According to you, then, there would be about \$12,000 spent in furniture and fixtures?—A. \$11,000 altogether, according to the record up to date.

Q. I want you to look into that?—A. This is all that was expended for furniture in this particular period.

Q. I want you to give us the total expenditure under that heading, prior to 1921.

By Captain Shaw:

Q. You have been engaged in this work for about two weeks, have you not?—A. About that.

Q. You have found no difficulty put in your way at all?—A. No difficulties, but—

Q. I mean as far as the officials are concerned?—A. All the records are not available or accessible.

Q. What records are not available or accessible?—A. The minute book, for instance.

Q. That is, the minute book of the directors?—A. There is a missing bank pass-book, which I have not been able to get hold of.

Q. I suppose if there is a bank pass-book there would be a bank to which it belongs?—A. Yes.

Q. So that if the bank book is missing the information would be available at the bank, would it not?—A. The information is being obtained.

Q. So that, with the exception of a minute book recording the meetings of the directors you have had no difficulty so far, is that correct?—A. No sir; all the records have been made available.

Q. And so far as the minute book of the directors is concerned, you will appreciate, of course, that there is a lot of information there regarding the intimate transactions of this organization to which you or nobody else is entitled except in so far as it affects this investigation?—A. I don't know what the minutes contain.

Captain SHAW: I can tell you now that if there is any matter of any particular information, if you consult Mr. MacNeil he will give you the information relative to the matters under investigation in this Senate Committee; I want to make that abundantly clear; but the minute book, Mr. Chairman, belongs to this organization. If it has any information which the auditor wants, if there is any resolution or record of any kind that he requires, simply on application to Mr. MacNeil he will get that information, and have an opportunity to satisfy himself as to its authenticity.

The CHAIRMAN: It is rather difficult for him to know what entries there are in the minutes which may affect these matters, unless his attention is called to them.

Captain SHAW: If he wants particulars of any transaction, or thinks there is any transaction, we are prepared to give him all the information in the meantime, but we are not prepared to give him the information in regard to the intimate record of all other matters, which are spread over a number of years.

Hon. Mr. DANDURAND: But is it not the interest of the Association, which is a quasi public organization, receiving public funds, to allow the public to see anything in their minutes? It is not a private corporation organized for profit.

Captain SHAW: You see, sir, it is this; we want to limit within some definite scope the nature of this investigation. If it is going to cover the whole field, then we have got to prepare for an investigation from A to Z. If there is anything in the minute book which relates to this investigation they are perfectly prepared to give it, and as a matter of fact Mr. MacNeil is prepared to give him all the information, and let him satisfy himself from the original minute books as to its authenticity; but to allow this gentleman to get all the records and use them, have them available for any purpose he desires, I would say is not within the scope of the Committee.

The CHAIRMAN: The difficulty is that the auditor does not know what information is in the minutes; he will have to be prepared; he will have to be shown, and I should think if he cannot be told he should be shown.

Captain SHAW: We are prepared to go over the minute books with him, but his complaint is that he has not got the custody of them, that is all.

By Captain Shaw:

Q. Proceeding to another point, you are perfectly clear that the stock in the Veteran, Limited was purchased prior to the receipt by this organization of any portion of the Canteen Fund?—A. Yes, sir.

Q. That is abundantly clear; there cannot be any question about this?

By Hon. Mr. Black:

Q. And paid for?—A. Yes, sir, and paid for, previous to—

By Captain Shaw:

Q. Previous to the date of this statement, the initial date of which is July 1, 1921; now, can you tell me when the first payment was made of this Canteen Fund to the G.W.V.A.?

The CHAIRMAN: You mean before or after the receipt of this sum?

Captain SHAW: I want to show that the payment was after the date that this statement purports to begin.

The WITNESS: The first payment was received in 1921.

By Captain Shaw:

Q. Was that after or before the 1st of July?—A. It was in July sometime; I think I have the exact information here.

Q. As long as you are satisfied it was after the 1st of July, that is satisfactory for my purpose?—A. The first payment was received on the 27th of July, 1921—\$20,000.

Q. Just one other matter with regard to this statement which you have prepared; I understand that you found by investigation that on the 30th June, 1921, there was a certain amount of cash on hand in the G.W.V.A. funds?—
A. Yes.

Q. And then you took that year, and you found that at the end of August, 1922, there was in hand \$679.89?—A. Yes, sir.

Q. And so you presumed, from that, that the whole money was spent during that period?—A. Exactly, yes.

Q. Is that a safe or reliable assumption, Mr. Gallagher?—A. Yes, sir, it is exactly correct according to the records.

Q. You are prepared to rely upon that statement—that \$130,000 was spent within the periods mentioned in your statement, according to the records?

The CHAIRMAN: What he means is, he found entries which justified him in coming to that conclusion; he does not know personally.

Captain SHAW: He has found, in addition, that there was an expenditure of \$150,000 in that year.

The CHAIRMAN: In the books; but you made him say that he knew personally—that he guaranteed that this had been paid.

Captain SHAW: No, I do not want to mislead the witness at all; I just want to get the facts, nothing else. I am speaking now about the books.

By Captain Shaw:

Q. You presume, because there was cash on hand on the 30th June, 1921, and because there was \$679.89 on hand on the 31st of August, 1922—the Canteen Funds having been paid to the G. W. V. A. in the meantime—that therefore the total sum had been expended within that period?—A. Yes, sir. This expenditure is all vouched for—it is all supported by cheques—making the total amount of \$150,000.

By the Chairman:

Q. All audited within the year?—A. Yes, sir.

By Captain Shaw:

Q. Senator Griesbach has referred to an item on the statement which was furnished in answer to a requisition from the Senate, showing an expenditure of \$5,316.29 for travelling expenses of delegates attending the Port Arthur Conference; do you know anything about that? I want to have the Committee know that it says the word "Conference" but not "Convention", which is a very substantial difference; do you know anything about that Conference that was held?—A. No, I do not.

Captain SHAW: I simply want to say that if the Committee want to investigate that they will find that it was not a Convention; it was a Conference held at Port Arthur previous to the annual Convention, for the purpose of formulating, preparing, getting together the organization for meeting the unemployment requirements of the Canteen Fund, and for the purpose of perfecting that organization, and making their necessary plans for the future.

Hon. Mr. DANDURAND: Under what head would that amount be found in the statement of Mr. Gallagher?

Captain SHAW: I do not know; he says it will probably be under "Travelling Expenses"; that is what I understand.

The WITNESS: I have not investigated that particular item, but I have reason to believe that the greater part of that—at least I am of opinion that the greater part of that appears on the records previous to the 1st of July, 1921.

By Captain Shaw:

Q. You have spoken of one other matter—the payment to J. E. March of \$1,125; do you know the nature of the services which Mr. March rendered?—

A. I have not—time has not permitted me to go into that and quite a number of other expenditures.

Q. You know, at least, that it was for some newspaper work?—A. No, sir.

Q. You did not know what?—A. No, I did not make that statement.

Q. What statement did you make?—A. I made the statement that \$1,125 was paid to Mr. March between the 1st of July, 1921, and the 31st of August, 1922, at the rate of \$60 to \$80 per month.

Q. You do not know the nature of the services which he rendered for that?—A. I do not.

Q. Did Mr. March render an account for those amounts for articles written in *The Veteran*, for example?—A. I have not made an investigation of those matters.

By the Chairman:

Q. You did put it under Publicity and Propaganda?—A. Yes, sir, it was so charged; it was charged to Publicity and Propaganda; it appears as a charge to Publicity and Propaganda in the records of the Association.

Q. Then in the detailed statement you are going to furnish, this would be made separate?—A. Yes, sir, that would be made clear.

Captain SHAW: I suggest that he would produce—which he can—the articles written by Mr. March in *The Veteran*, which was work he undertook at a much less rate.

The CHAIRMAN: Would they be available?

Captain SHAW: Yes, I should think they would.

By Hon. Mr. Griesbach:

Q. The point I think you made very clear was that the amount was made up of cheques of \$60 per month, rising towards the end of the period to \$80 per month?—A. Yes, sir, that was the statement—to that effect.

Hon. Mr. GRIESBACH: You can get your own witness to produce the articles Mr. March wrote.

Captain SHAW: I might suggest that all these amounts were much less than a newspaper man would charge for them. I cannot examine the witness further, because I would have to have the statement examined by the auditor of the Association.

By Captain Shaw:

Q. I would like to know, Mr. Gallagher, if you are a chartered accountant?—A. No.

Q. You are not qualified in that respect?—A. No.

The CHAIRMAN: He has no paper qualifications.

The WITNESS: I have qualifications in my pocket here.

By Captain Shaw:

Q. But I mean as chartered accountant?—A. I have been employed by some of the largest chartered accountants in Canada, and Marwick, Mitchell & Co. in New York; and this, if you care to read it, will satisfy you as to my ability.

Q. I only wanted to know if you had complied with the chartered accountants' requirements in Canada?—A. I never took their examination, but I might say that the chief auditor of The Timothy Eaton Company in Toronto is not a chartered accountant. I don't know if the fact that a man is a chartered accountant signifies very much.

By the Chairman:

Q. What has been your experience?—A. I have had over 25 years' experience in accounting and auditing.

Q. Where?—A. In Canada.

Q. All in the Civil Service?—A. Oh no, in business—commercial and industrial and financial lines.

Q. How long have you been in the Accounting Department?—A. For almost seven years—over six years.

Q. As chief accountant?—A. I have been on special work.

Q. Who is the accountant of the Department?—A. Captain Hodgins.

Mr. MACNEIL: Mr. Gallagher is not accountant; he is in charge of the auditing for Ottawa and the eastern district.

By the Chairman:

Q. We want to know exactly what your qualifications are?—A. My qualifications are here. I have been engaged by Hoskins & Westervelt, the chartered accountants of Toronto, and Marwick, Mitchell & Co., New York; Webb, Read & Hegan, of Vancouver. I have done work for these concerns at different times. I have even been called in to devise systems for concerns who had previously engaged chartered accountants, and were not satisfied.

Q. For how many years have you exercised your profession?—A. Well, about 25 years. Most of that time was spent in industrial, commercial and financial enterprises.

Q. And doing nothing else but this?—A. No, sir.

Hon. Mr. GRIESBACH: Before the witness steps down I call his attention to an item of honorarium to Mr. Maxwell of \$3,000; I would ask him what authority exists for that; whether it is based upon a minute of the Executive Committee, or a convention minute, or just what the authority for that payment is. I mention it now so that he can make inquiries into that.

The CHAIRMAN: We should have a copy of any entries in the minutes in regard to that.

Mr. MACNEIL: We will furnish that to the Committee. As I understand it was an open vote of the Convention.

E. S. B. HIND, clerk, Ottawa, appeared as a witness, and having been duly sworn, testified as follows:—

By Hon. Mr. Griesbach:

Q. You were the Secretary of the Tuberculous Veterans' Association, Limited?—A. Yes.

Q. Consisting of how many branches?—A. Twelve branches at the present time.

Q. You have had some trouble with them, and you are no longer secretary; is that right?—A. Yes, that is right.

Q. Is there a discussion about it?—A. Well, there is a discussion about it. I am not prepared to go on with that at the present time. It would come out in the nature of a statement, and I do not think this Committee is apparently prepared to hear the statement; what they want is a statement within the scope

of this inquiry, though I suppose in the proper place a discussion will come up.

Q. I just want to ask one question; you have maintained here in Ottawa a headquarters of some description?—A. Yes, sir.

Q. What is the nature of that headquarters?—A. From 1921 till 1923 the G.W.V.A. paid a salary to my predecessor in office. I want to say at this stage, Mr. Chairman, that I am an honorary officer; I have never been in receipt of salary in any shape or form. They paid a salary; they made an offer, I am informed, to carry an officer of this Association on salary, and that, I believe, was done. There was some opposition to it, but I believe it carried; and that process continued until August, 1923, when this Association, in convention, decided upon maintaining a separate office. Funds were not available in sufficient quantity to permit them to fully carry out the mandate given. In fact I was entrusted with the duties of Secretary-Treasurer pending the time when they would be able to employ an officer on salary. A contract was later entered into between the Tuberculous Veterans Associations whereby they paid the G.W.V.A. the sum of \$150 per month.

Q. For what?—A. For adjustment services. The secretarial work was done by myself gratuitously.

Q. For what period did that continue?—A. We have paid since September, 1923, the sum of approximately \$2,400. I say approximately; I have not been able to get the balance—to have my books audited—because the auditor has not been available, but that is the amount that shows in the books; there is no doubt of that; we have paid \$2,400 to the G.W.V.A. for that particular service. I think I saw in their statement an account which referred to secretarial work. So far as we are concerned, they do not do any secretarial work for our Association at all.

By the Chairman:

Q. Did you ever get Government money for your Association?—A. No, we never received anything from the Canteen Fund or any other source whatever.

The CHAIRMAN: I do not see what we have to do with this.

Hon. Mr. GRIESBACH: I merely wished to establish a plan, which the witness has given, from August 1923 to the present time—the arrangement with the G.W.V.A. by which they paid so much a month.

By Hon. Mr. Griesbach:

Q. How much a month?—A. \$150.

Q. The total payments amounted to \$2,400?—A. That is, between September 1923 and the month of April.

By the Chairman:

Q. Your Association never received any Government or public money?—A. No, sir. Of course this matter was relevant in so far as the amount of money we paid there forms part of the receipts of the G.W.V.A. from other sources.

Q. There is no dispute about that, is there?—A. I don't know whether they do or not.

The CHAIRMAN: At this stage I am afraid we are losing time.

Hon. Mr. GRIESBACH: That is sufficient from Mr. Hind.

Captain SHAW: May I now renew my application to have these books, which are in the custody of this Senate Committee Clerk, turned over to the President of the Association to whom they belong? Mr. Hind is no longer now in the Secretaryship.

The CHAIRMAN: We may want them here. We will hold them here till the Committee has finished its work.

Mr. HIND: Has Mr. Shaw been asked to speak on behalf of the Tuberculous Veterans' Association?

Captain SHAW: Yes.

Mr. HIND: Then you are representing the Tuberculous Veterans' Association as well as the G.W.V.A.?

Captain SHAW: Yes.

The CHAIRMAN: That is a matter for the Committee; we will see about that.

Captain SHAW: I do not usually speak without authority on legal matters. What we are anxious about is that these books should be available to these people.

The CHAIRMAN: The books are here.

Captain SHAW: Your clerk has them.

Mr. A. H. HINDS (Clerk of Senate Committee): These documents are under summons to be produced to-morrow morning by Mr. Hind.

The CHAIRMAN: I understand, Mr. Hind, that your summons called for the production of these books?

Mr. HIND: Yes.

The CHAIRMAN: Have you brought them?

Mr. HIND: I brought them, but I was not prepared to produce them till to-morrow; I have been trying to get the auditor's statement.

The CHAIRMAN: You will leave them with Mr. Hinds, Clerk of Committees, to-morrow?

Mr. HIND: I will, sir.

The CHAIRMAN: Then I think the Committee had better hold these books until after the investigation, and then they will know what disposition to make of them.

Hon. Mr. GRIESBACH: I do not know very much about this end of it, but I know that there is a quarrel between the two sides of this organization; the branches have fallen out, and as far as I understand it, the President and Secretary are not on the same side of the question. I understand they will heal their differences if they get at these books, and I cannot see why they should not have these books. That is to say, Mr. Hind, who is the Secretary, and who has been called on to hand over the books, could get a receipt for the books and hand them over, and I suppose they are going to stay here; they are not going away.

Captain SHAW: No; the President, Mr. Downey, is prepared to give a receipt.

Mr. HIND: I was prepared to hand the books over, but I wanted them to be audited first. I was prepared to hand them over to the Committee; I am also prepared to hand them over to Mr. Downey, if Mr. Downey is perfectly satisfied. If he merely wants the books of the Association, he can have them.

Hon. Mr. GRIESBACH: Mr. Hind is under subpoena to bring them here. Mr. Shaw is asking for them on behalf of the other faction of the organization. I

think Mr. Hind would be perfectly protected by taking a receipt for those books, and handing them over, subject to Captain Shaw's undertaking that if they are required, Mr. Downey, the President of the Association will respond to a subpoena to produce them here. Mr. Downey is here; he can give his own undertaking in connection with the matter. Now you have already got the books, and if there is anything in them in connection with the Disablement Fund, the Canteen Fund, or any other fund the Committee is investigating, Mr. Downey will have the books and will be prepared to bring them here. He is responsible, and is resident here, has his office here, over in the G.W.V.A. offices, and I submit they should have the books unless they contain some matters not connected with those under investigation.

Hon. Mr. DANDURAND: I do not think we should ask for these books now. There seems to be nothing arising out of the examination of Mr. Hind in connection with matters that we are investigating. If it develops that we need them, we can call on the President for the books.

The CHAIRMAN: That is what I think.

Hon. Mr. GRIESBACH: Is a motion necessary.

The CHAIRMAN: No.

Hon. Mr. GRIESBACH: I am agreed, then, that they should have the books.

Mr. A. H. HINDS (Clerk of Committees): They should be released from this summons, then.

The CHAIRMAN: We have no authority to give directions to Mr. Hind as to what he should do with the books.

Hon. Mr. DANDURAND: But it is for the Committee to relieve Mr. Hind from furnishing the books.

Hon. Mr. GRIESBACH: I suggest that he be released; then Mr. Hind says he is willing to hand over the books. That is satisfactory to everybody. Is there any objection to that? (Agreed).

The CHAIRMAN: I understand that there are several gentlemen employed in the Soldiers' Civil Re-establishment who are present. Is it the desire of the Committee to hear them at this stage?

Hon. Mr. GRIESBACH: I would like to call, Colonel Parkinson.

NORMAN F. PARKINSON, Deputy Minister of Soldiers' Civil Re-establishment, appeared as a witness, and, having been duly sworn, testified as follows:—

By Hon. Mr. Griesbach:

Q. Under Order in Council P.C. 3887, October 12, 1921, a sum of money was given to all soldier organizations—\$80,000 to the G. W. V. A., and the remainder to other organizations. Is that right?—A. I understand so, although I had no official connection with that distribution.

Q. Has your Department received statements of the expenditures of those organizations?—A. Under that Order in Council?

Q. Yes?—A. No.

Q. No organization at all has made any return to you?—A. They would not in the ordinary course of things. I understand that certain statements have been

made to some of the officials named in the Order in Council. I believe they were in the possession of Mr. Cox of the Department of National Defence, and are now in the hands of some other officer. In other words, I believe there are statements covering expenditures made.

Q. Can you get them?—A. I could get them, although I think it would be better for your Committee to call that officer. I had no connection with this distribution at all.

Q. The trustees were Margeson, Cox and Arnold?—A. That is right. Arnold resigned and did not act on that Committee at all. I do not know whether any other appointment was made.

Q. I understand you personally had the returns?—A. I haven't. I have seen them. I can tell the Committee the name of the man, possibly, that has them. They were turned over officially. Mr. Cox had a statement. He was Acting Secretary of the Board of Trustees, and he turned them over officially to an officer in the Department of National Defence, where he is employed, and there they are to-day. I could get them and present them if you wish, but I could not give any information.

Q. Under this Order in Council some \$120,000 was granted to a number of organizations in Canada. The G. W. V. A. got \$80,000 and other organizations got the remainder. My information is that the other associations have put in statements showing what their expenditure was,—I may be wrong about that; but we ought to ask for them, and I was under the impression that you could produce them?—A. No, I haven't got that.

By the Chairman:

Q. Who is the officer?—A. I don't know his name. He is in the Department of National Defence. They were turned over to him by Mr. Cox.

By Hon. Mr. Griesbach:

Q. Here is a statement laid on the Table of the Senate and signed by yourself—I am speaking now of the statement dated May 15, 1925—in answer to a return moved for by myself, in answer to the question as to what sums of money were paid the G. W. V. A. in connection with the preparation and taking out evidence before the Ralston Commission. I am merely putting in the statements now. The first statement is a statement of payments made to C. G. MacNeil in connection with the inquiry of the Royal Commission on Pensions and Re-establishment and the purposes for which payments were made from December 17, 1922 to May 16, 1923—\$1,757.58; and to the Great War Veterans' Association, an amount of \$5,411.15. The period is from December 1922 to May 15, 1923. The note says:—

This does not include the value of transportation furnished by the issue from time to time of departmental railway transportation warrants.

Then on the next page is a statement of the payments made to Mr. Bowler, barrister, of Winnipeg, for legal or other charges in connection with the inquiry of the Royal Commission on Pensions and Re-establishment, and the purposes for which payments were made, commencing August 10, 1922, and going down to November 17, 1922. The items follow for expenses and so on, and come to \$4,575.04. That statement was submitted?—A. Yes, that was submitted, sir.

(Return filed, marked Exhibit No. 2.)

HON. MR. GRIESBACH: Now, in the absence of a statement from the auditor, which we have asked him to get, we are now prepared to approach the question of the Disablement Fund, which is a different matter of inquiry which this Committee has power to investigate, and we ought to have Mr. Scammell here.

Captain SHAW: May I ask a question or two?

The CHAIRMAN: Yes.

By Captain Shaw:

Q. Mr. Parkinson, the statements to which your attention has been drawn by Senator Griesbach consist of expenses paid by your Department to Mr. MacNeil and also to one Mr. Bowler of Winnipeg?—A. That is right.

Q. I understand, Mr. Parkinson, that the Department—I do not know whether you did it or the Minister—made an arrangement with the G. W. V. A. by which Mr. MacNeil's services were to be loaned to the Royal Commission, that is, the Ralston Royal Commission?—A. Yes.

Q. The G. W. V. A., during all that period, were to continue paying his salary as before, but the Government undertook to pay his actual travelling expenses?—A. That is so.

Q. And the figures you have read in regard to Mr. MacNeil's travelling expenses are the moneys paid him by the Government for that purpose, and that alone?—A. Not altogether. It includes a certain amount for travelling expenses—I mean to say the statement includes an amount of \$1,757.58 paid to Mr. MacNeil as travelling expenses—

Q. Yes?—A. Certain minor amounts, roughly to the amount of \$110 or \$120, paid for telephone calls and so on, and an amount of \$5,000 paid to the Great War Veterans' Association for presentation of cases, and grant for general purposes, Central Ontario Veterans' Committee, \$300.

Q. Well, it was all incurred by reason of the Royal Commission, was it not?—A. Yes, this is all in connection with the work of the Royal Commission. It was paid out of that fund.

Q. The G.W.V.A. is the only organization, I understand, which maintains an adjustment bureau at Ottawa, and as a result the work of presenting the soldiers' cases necessarily devolved upon them?—A. I am not prepared to concur in your first statement. I do not know that the G.W.V.A. is the only association which conducts a bureau in Ottawa. Officially we have letters from so many. But as far the last is concerned, I know officially that the Great War Veterans' Association were given certain responsibilities in connection with the work of the Royal Commission, and that this money was paid to them on that account.

Q. And the total sum you referred to has absolutely no relation at all the Canteen Fund?—A. No, purely Government funds.

Q. Has it any relation to the Disablement Fund?—A. No.

Q. Or the Poppy Fund?—A. No, it is purely Government funds.

Q. And you have satisfied yourself that the expenditures made were proper expenditures, or you would not have paid them?—A. I have no information as far as the \$5,000 is concerned, but the expenses are all capable of being checked.

Q. You know as a matter of fact that Mr. MacNeil travelled from one end of the Dominion to the other. I believe, in fact, he preceded the Commission, and then attended the Commission's sittings?—A. That is so.

Q. And that in all its investigations from Halifax to Vancouver?—A. That is so. I understand that when the Royal Commission was appointed it was represented to the Minister by the Commission that a great deal of time of the Commission could be saved if someone were to precede the Commission with a view of gathering together those who likely would be required to give evidence at the various sittings, and to arrange that this evidence would be prepared along lines that would be dealt with expeditiously and quickly. The Commission drew out a programme in which they tried to arrange their sittings to run so many days in each centre. The only way they could do that was to have the number of witnesses to present the case limited, so far as possible.

With that in view, arrangements were made with Mr. MacNeil to precede the Commission, to get together the various representatives of the organizations, and to bring forward the witnesses—limited, I think, to six. Mr. MacNeil preceded the Commission, made these arrangements, and later on accompanied them.

Q. And you know the soldiers' representatives nominated Mr. MacNeil for that purpose?—A. I believe so. I have not seen the records.

Q. And you also know they would have difficulty in nominating anyone more efficient?—A. I believe the Royal Commission was very well satisfied with his work.

Q. With regard to the grant of \$5,000 to the G.W.V.A., I presume that by reason of this Ralston Commission the G.W.V.A., as one of the more prominent of the soldier organizations, had a large amount of additional work thrust upon it—by reason of the necessity of presenting the views of ex-soldiers definitely?—A. I have no information; I cannot give evidence, but it would seem to be a reasonable statement.

Q. And as a matter of fact the \$5,000 grant was made for the purpose of recouping them to some extent for that work?—A. That was the intention of the grant.

Q. You spoke also of an expenditure for one Mr. Bowler of Winnipeg. Who is Mr. Bowler?—A. A practicing lawyer in Winnipeg. I believe he was officially connected with the G.W.V.A., and was appointed by them as their counsel.

Q. So whatever sums he was paid would be for legal services in connection with the presentation of the case?—A. Legal services and travelling expenses.

Q. You are satisfied that the expenses have been properly vouched for?—A. They are all properly vouched for by travelling expenses.

Q. Have the payments made to Mr. Bowler any relation to the Canteen Fund, the Disablement Fund, or the Poppy Fund?—A. None whatever; they are all Government funds.

By the Chairman:

Q. Was he not appointed by the Department?—A. No, sir. The Royal Commission had certain authority with regard to certain expenditures, and they gave the G.W.V.A. sanction to appoint a counsel who would be paid for by the Royal Commission. In other words, the counsel at that time was paid out of Government funds by the Royal Commission. The Great War Veterans' Association might be represented by counsel who would be paid for by the Government.

Q. Was that part of the reference to the Royal Commission?—A. I couldn't say that, but they had definite authority.

Q. What authority?—A. I am not prepared to answer that now, sir; but we did satisfy ourselves that they had authority to incur that expenditure at the time when we paid it.

Q. You might let us have that information?—A. I will do that, sir.

C. GRANT MACNEIL was recalled as a witness, and testified as follows:—

By Hon. Mr. Griesbach:

Q. I am talking about the Disablement Fund, Mr. MacNeil. In an endeavour to get at the genesis of the matter I have laid on the Table of the Senate a copy of a letter which I will submit. It is the copy of a letter from yourself to the Minister, marked "Personal and confidential." It is addressed to Hon. Mr. Beland, and is dated June 2, 1924, and reads as follows:

I beg to refer to our conversation of this date during which I explained that the office of the Dominion Command, G.W.V.A., was facing a

grave financial crisis. In view of this emergency, I beg to request that an advance be made from the Disablement Fund for which reimbursement may later be made under whatever arrangements may be determined.

You will, no doubt, recollect that action in this respect was deferred pending the final report of the Ralston Commission dealing with the disposition of the Canteen Funds. The submission of this report has been delayed for a longer period than anticipated. As I explained to you, it is now apparent that any action resulting from the recommendation of the Ralston Commission will be too late.

It is, perhaps, not necessary for me to submit further evidence to show that our work at this junction is particularly useful. I trust that as our suggestion is not unreasonable and does not require a vote from the public treasury, that it may meet with your approval.

That is the letter submitted by yourself?—A. Yes, sir.

Q. I strove to ascertain by a series of questions precisely what happened at the beginning of this discussion, to find out how the thing came about; and I gather that there was an application from you personally to the Minister for a loan from this Fund?—A. Yes, sir.

Q. Did you, as Secretary of the Dominion Command, Great War Veterans' Association, apply for that loan?—A. Yes, sir, as Secretary of the Great War Veterans' Association.

Q. And the loan was to be to the Great War Veterans' Association?—A. Exclusively, yes.

Q. Now, I put some questions to ascertain what the Minister had to say about that, and the answer supplied by the Leader of the Government to the question is as follows; from *Hansard*:—

The application for a loan from the Disablement Fund was made by Mr. MacNeil in favour of the Great War Veterans' Association. The Minister suggested that the loan be made to the Dominion Veterans' Alliance, which was, in his opinion, a body representing all the veterans' organizations.

What have you to say about that answer?—A. I am not competent to comment on the Minister's remarks or the remarks of the Leader of the Government. I have here the correspondence tracing the negotiations as they occurred. The letter from the Minister, in reply to the letter which you have just read, is as follows:—

OTTAWA, June 9, 1924.

Personal and Confidential

DEAR MR. MACNEIL,—I beg to confirm in writing our conversation of last Saturday.

Mr. Scammell, who is in charge of the Disablement Fund, has been requested to advance a certain sum to your Association in order to help you to discharge your duties as a general service bureau for ex-service men. This is done in view of the fact that the final report of the Royal Commission has not yet been submitted. It is expected that this report will make some recommendation in this respect.

Believe me,

Yours truly,

Signed by Dr. Beland, and addressed to me as Dominion Secretary-Treasurer of the Great War Veterans' Association. The arrangement was made on behalf of the G.W.V.A., and the activities conducted by the G.W.V.A.

Q. The Order in Council under which the loan was actually made is P.C. 1596. I will read the whole thing if the Committee likes.

The CHAIRMAN: Let us mark that as an Exhibit.
(Order in Council filed, marked Exhibit "3.")

By Hon. Mr. Griesbach:

Q. Will you tell the Committee who the Dominion Veterans' Alliance are, and what your position is with respect to that organization?—A. The Dominion Veterans' Alliance is a council embracing representatives of six organizations: The Army and Navy Veterans, The Tuberculous Veterans' Association, The Canadian Legion, The Grand Army of United Veterans, The Imperial Veterans in Canada, and the G.W.V.A. It is a council for achieving greater unity among the veterans' associations, and also to secure concerted action with regard to their problems. It has never, as a Dominion body, assumed any definite administrative responsibility.

Q. And what is your position?—A. Secretary of the Dominion Veterans' Alliance.

Q. Are not you the Chairman?—A. Chairman of the legislative committee—a sub-committee of the council.

Q. So you are the Secretary of the Dominion Veterans' Alliance, the Chairman of the sub-committee of the council, and Secretary-Treasurer of the Dominion Command of the Great War Veterans' Association?—A. That is correct.

Q. Now, with respect to this \$15,000,—you received two cheques of \$1,000 each, and one of \$3,000, to start with?—A. That is correct.

Q. How were those cheques made out?—A. To the Great War Veterans' Association.

Q. The next cheque that came along was for \$5,000. How was that made out?—A. To the Dominion Veterans' Alliance.

Q. Upon receipt of that cheque, what did you do?—A. I endorsed it for deposit to the credit of the Great War Veterans' Association, and deposited it.

Q. Will you tell us what authority you had for that?—A. I have here an excerpt from the Minutes of the Dominion Veterans' Alliance:—

As stated by the Chairman in his preliminary remarks, it was found by the members of the Council that the question of maintaining the legislative and adjustment work in Ottawa was one of the most important problems for consideration. The council, therefore, gave this matter lengthy discussion and received data from various sources.

Comrade MacNeil, on behalf of the Dominion Command, G.W.V.A., outlined in detail the activities of G.W.V.A. Dominion Command, in this regard, and also the responsibilities already assumed on behalf of the Dominion Veterans' Alliance. He asserted that the operations of the G.W.V.A. in this regard, since March, 1920, had totalled \$220,735.67; and that the expenditure incurred on behalf of the Dominion Veterans' Alliance by the G.W.V.A., totalled at October 31, 1923, \$19,960. He also explained that the operation of a fully equipped service bureau in Ottawa would require an appropriation of approximately \$3,000 per month. He also explained the methods of adjustment of individual claims on a basis of cost accounting.

He argued, that, as this work had been undertaken without fee on behalf of all ex-service men and dependents, every latitude should be permitted the G.W.V.A. to finance the operations of such a bureau without interference from other organizations.

Moved by Comrade Frehan.

Seconded by Comrade Colebourne.

Whereas the question of the re-establishment, or otherwise, and the maintenance of a central Service Bureau is one of most vital importance to all ex-service men and women;

And whereas words can hardly be found to express to C. G. MacNeil and staff the heartiest thanks and sincerest gratitude for the eminent services rendered by him in the cause of getting justice and equitable treatment for all, irrespective of organization, or affiliation;

Be it therefore resolved that this meeting of the D. V. A. go on record in appreciation of the said services;

And be it further resolved, as the delegates of this convention have no instructions in this matter, that the delegates of this conference immediately take up with their Dominion Executives the question of the Dominion Alliance taking over the Service Bureau, as it now exists, with regards to finance and direction; and that the said Executives take action herein with as quick dispatch as possible; in the meantime, the G.W.V.A. be requested to carry on so that no hardship shall result from the most energetic application to the obtaining of the just rights of all ex-service men.

Moved, as an amendment, by Comrade Sanders.

Seconded by Comrade Hind.

Whereas this Dominion Council of the Dominion Veterans' Alliance is aware that a considerable proportion of the work of adjusting individual claims of ex-service men and dependents throughout Canada has been borne by the Great War Veterans' Association, regardless of membership in that Association or not;

Whereas it is recognized that because of the broad experience of men concentrating their full time on this work, and because of the Dominion Command offices being located at the seat of Governmental administration the Great War Veterans' Association is in a strategical position to continue effectively this vitally essential work;

And whereas this Dominion Council believes that in the continuation of this legislative and adjustment work, on behalf of all ex-service men and dependents, one of the essential factors in accomplishing final and complete amalgamation of veterans' organizations will be perpetuated;

Therefore be it resolved that this Dominion Council of the Dominion Veterans' Alliance express its hearty commendation of the manner in which the Great War Veterans' Association has assumed the financial and other responsibilities of this common trust, and recommend that it should be continued, under present auspices, until such time as a complete amalgamation of veterans' organizations is brought about;

And be it further resolved that this Dominion Council express its full sympathy and approval of any legitimate means, which may be utilized by the G.W.V.A., in securing the necessary funds to continue this legislative and adjustment work.

The amendment was put to the meeting and was lost; the motion carried.

Briefly, the situation was that the other organizations were not prepared to share the responsibility in this regard. They expressed appreciation of this endeavour, and stated that they would initiate some action to share this responsibility, if at all possible. No such action was taken, and the understanding then became applicable that the G.W.V.A. would undertake those responsibilities, and finance the Bureau as well as could possibly be done. Consequently the negotiations were conducted in the name of the G.W.V.A., and we regarded it as a Bureau for which the G.W.V.A. was responsible.

By Hon. Mr. Griesbach:

Q. What is the date of that resolution?—A. November 19, 1923.

Q. Will you put it in?—A. Yes, sir. In answer to the question as to the authority under which I acted, I should explain here that the Dominion Veterans' Alliance has never maintained an Adjustment Service Bureau. I cannot answer for the wording of the Order in Council, which should have just read here as it is; the Dominion Veterans' Alliance has never shouldered that responsibility, never at any time operated anything that might be regarded as a Service Bureau. That is made clear in the statement recently issued by the Chairman of the Alliance, Mr. F. G. Taylor, of Manitoba. In receiving the cheque for \$5,000 on October 2, 1924, I received the following letter from Mr. Scammell, addressed to me as Chairman of the Dominion Veterans' Alliance:—

In pursuance of the arrangement made that I should make a further advance to you of \$5,000 from the Disablement Fund, I now enclose a cheque for this amount.

It is understood that this advance as well as that made of a similar amount last June, and the proposed further advance to be made on the 1st January, 1925, shall be applied only for the purpose of maintaining an adjustment bureau in the city of Ottawa, and that no portion of the said amounts shall be expended for any other purpose.

In view of the fact that it is proposed to reimburse the Disablement Fund out of any moneys which may be granted to the Alliance from the Canteen Funds or otherwise, it will be necessary for you to keep a detailed record of the manner in which this money is expended.

Q. With respect to this cheque for \$5,000, made out in the name of the Dominion Veterans' Alliance, did you not go to Mr. Scammell and ask him to alter the cheque and make it read Great War Veterans' Association?—A. I think I discussed the matter with Mr. Scammell in his office on receiving the cheque, and he informed me at that time of the existence of an Order in Council, which I had not previously believed to be in existence. I asked him why it was made out to the Dominion Veterans' Alliance, and he said because it was so stated in the Order in Council. I pointed out to him that that was contrary to the arrangement entered into with the Minister, but as the Minister was then absent he said he had no alternative but to issue the cheque in that way. Subsequently I think I saw him, and I accepted the cheque without further remark. I subsequently phoned. May I point out that this was not in accordance with the arrangement made with the Minister. He suggested that I act on my authority as an officer of the Alliance, the authority to deposit the cheque, in order to fulfil the terms of his instructions, which obviously could not be carried out by the Alliance, and could only be filled by the G.W.V.A. By exercising whatever authority I had of the Alliance in depositing the cheque. So he made the alternative suggestion, I believe, or hinted at the alternative suggestion that it might be referred to the Alliance as a vote. It then appeared to me that as the Alliance had never assumed any administrative responsibility, and as they had never placed on their records any banking resolution, or established any account at any time in the name of the Dominion Veterans' Alliance, that I was well within my authority in fulfilling my instructions from the Minister and carrying out the agreement with the Honourable, the Minister, and also the instructions contained in the Order in Council, that the money was to be applied to a specific purpose, and also the instructions in Mr. Scammell's letter, by depositing the cheque in the way indicated, and the accounting will be rendered by the G.W.V.A.

By Hon. Mr. Macdonell:

Q. Previous to depositing that cheque, did you consult any of the officers of the Dominion Alliance as to the propriety of that?—A. I consulted my own

Executive, but not the Alliance, as the transaction had never at any time anything to do with the Alliance. The application was made by the G.W.V.A., and the advance by the Minister, as we understood, was to the G.W.V.A.

By Hon. Mr. Dandurand:

Q. But did I not understand that in the letter you wrote to the Minister you spoke of the Dominion Alliance and the G.W.V.A. as being in a financial crisis?—A. No, sir.

Q. The letter which has been read?—A. The letter which has been read should be considered in connection with the previous letter to the Minister in which the application was made, and a full explanation made of the situation.

Q. But I am speaking of the letter of Mr. MacNeil?—A. I am aware of the one to which you refer, sir.

The CHAIRMAN: Have you got the letter, Senator Griesbach?

Hon. Mr. GRIESBACH: No.

Mr. MACNEIL: I will read it again:—

I beg to refer to conversation of this date, during which I explained that the affairs of the G.W.V.A., Dominion Command, were facing a grave crisis.

Hon. Mr. DANDURAND: The Dominion Command?

Mr. MACNEIL: Yes. The letter was issued after the G.W.V.A. had shouldered the duty of carrying this Bureau for the adjustment of individual claims.

By Hon. Mr. Griesbach:

Q. Upon receipt of this cheque for \$5,000 you went to see Mr. Scammell and asked him to change the cheque to the name of the Great War Veterans' Association?—A. I merely asked him why the cheque was made that way.

Q. And he told you that the Order in Council was made that way, and did you not ask him to alter that cheque to the Great War Veterans' Association?—A. I have no recollection of that request. I merely expressed my surprise that it was made out in that way.

Q. You say you communicated with the Executive of the G.W.V.A. for direction in connection with the matter?—A. With my President, the Dominion President, and the sub-executive.

Q. Consisting of whom?—A. Dr. Sharpe and the nearest resident member of the Dominion Executive.

Q. Two other people besides yourself?—A. Yes, sir.

Q. And they authorized you, you say, to endorse the cheque and turn it over to the Great War Veterans' Association?—A. They approved of the transaction.

Q. Did you notify the Dominion Veterans' Alliance?—A. No, sir; the transaction had nothing whatever to do with the Alliance.

Q. That is, in your opinion?—A. In my opinion. I think you have referred to the matter being brought up at a subsequent meeting of the Alliance, and I made the same explanation as I make here.

Q. Did you bring it up at that meeting?—A. No, sir.

Q. It came up itself; now, you have referred to a letter from the President of the Dominion Veterans' Alliance?—A. Yes.

Q. You might take your copy of it, and I will read mine, and see if it agrees; this letter is from Portage La Prairie, April 17, 1925, and is from F. G. Taylor, Chairman, Dominion Veterans' Alliance:—

To the Dominion Presidents of,

The Army and Navy Veterans in Canada.

The Great War Veterans' Association of Canada.

The Grand Army of United Veterans.

The Imperial Veterans in Canada.

The Tuberculous Veterans' Association.

The Canadian Legion.

DEAR COMRADES,—Ever since the discussion took place in the House of Commons on the 5th March last, with reference to the monies advanced from the Disablement Fund, I have been trying to ascertain just how these monies were advanced, and what responsibility, if any, the Dominion Veterans' Alliance had for the advance of the money, or for its repayment. After making a thorough investigation, and after having received reports from the President of the Army and Navy Veterans of Canada, who was in Ottawa at the time, and from a Manitoba Committee of the G.W.V.A., who were also in Ottawa, and I think perhaps the following statement should be made by myself, as Chairman of the Dominion Veterans' Alliance.

It would appear as though Mr. C. G. MacNeil, the Dominion Secretary of the G.W.V.A., and also Secretary of the D.V.A. and Chairman of the Legislative Committee of the D.V.A. made application to the Minister of Soldiers' Civil Re-establishment for a loan from the Disablement Fund to the G.W.V.A. for the purpose of enabling the G.W.V.A. to carry on further service work at Ottawa. This application was not made on behalf of the Dominion Veterans' Alliance, nor was the latter organization connected with or responsible for it. Those of us who have been sitting on the Council of the D.V.A. will understand the situation, but in order that the public may know the facts, it might be well for me to state the exact position amongst Veterans organizations, of the Dominion Veterans' Alliance. It is not an organization in itself, but is merely a Council composed of two representatives of the above organizations. That Council was formed for the purpose of furthering the cause of amalgamation of Veterans' organizations, and with no other immediate object in view. Nothing has been accomplished in the way of amalgamation, but since its inception the Council of the D.V.A. has had a Legislative Committee meeting at Ottawa, under the Chairmanship of Mr. C. G. MacNeil through which all matters of Dominion legislation affecting returned veterans were supposed to be presented to the different departments of the Dominion Government, and to Parliament. This Legislative Council has never had anything whatever to do directly with service work, such as has been carried on by the individual veterans' organizations at Ottawa, and in which it is perhaps only fair to say that the G.W.V.A. have been foremost. Consequently there was no reason in the world why the Dominion Veterans' Alliance should at this stage have made any request for any money from the Government or any other source, for the purpose of carrying on a service bureau. No authority was given by the D.V.A. or any of its officials to make any such request, and I can safely say that none was in contemplation. Therefore it is quite apparent that no such request could have been made on behalf of the D.V.A. but such request was made on behalf of the G.W.V.A. in order to enable them to maintain their service bureau at Ottawa. Payments appear to have been received by Mr. C. G. MacNeil on account of the advance, as follows, namely: The first \$5,000 in three separate cheques, all payable to the G.W.V.A. and the balance in two separate cheques of \$5,000 each, and each payable to

the Dominion Veterans' Alliance. These last two cheques were endorsed by Mr. C. G. MacNeil as Secretary of the Dominion Veterans' Alliance, and the monies turned over to the G.W.V.A. No officer of the Alliance knew anything about these cheques having been received or endorsed in the manner above mentioned, until the discussion came up in Parliament on the 5th March, and I was informed then, for the first time, that the Order in Council authorizing the advance of this \$15,000 purported to make the advance to the Dominion Veterans' Alliance, instead of to the Great War Veterans' Association. Mr. MacNeil claims that the Order in Council is in error in so stating. Mr. Scammell, the Deputy Minister of the Department maintains that it is not. Mr. MacNeil claims that the application was made on behalf of the Great War Veterans' Association, and that the cheque should have been made payable to them. Mr. Scammell claims that it was made on behalf of Dominion Veterans' Alliance, and that it was only by mistake that the cheques covering the first \$5,000 were made payable to the G.W.V.A. I can only quote what appears in the written evidence. The written application does appear to have been made on behalf of the Great War Veterans' Association, and the cheques for the first \$5,000 made payable to them. The Order in Council, however, purports to authorize the advances to the Dominion Veterans' Alliance, and the last two cheques made under it were made payable to them, and endorsed by Mr. C. G. MacNeil as their Secretary, to the Great War Veterans' Association. It seems strange to me that such a misunderstanding should or could have arisen, if both parties to the transaction had played fairly, one with the other. I should think that there need have been no misunderstanding at all between Mr. MacNeil and the Deputy Minister as to whom the advances were being made. Mr. MacNeil had no right to accept any of these advances in the name of the Dominion Veterans Alliance. I am not convinced that he did make the application in the name of the Dominion Veterans Alliance, but on the contrary, am satisfied that he made the application on behalf of the G.W.V.A. On the other hand, it is incontrovertible that he endorsed the last two cheques as Secretary of the Dominion Veterans Alliance. If it were necessary to have the cheques endorsed by the D.V.A., they should have been sent to the Treasurer of that organization for that purpose. The whole transaction was kept so enshrouded in mystery that no one seems to have known anything whatever about it except Mr. MacNeil and the Department. Neither myself, as chairman of the D.V.A. Council, nor any of the other Associations sitting on the Council, knew anything about what was going on. I am not blaming Mr. MacNeil for getting the money for the G.W.V.A., and I am satisfied that he turned every cent of it over to them for the carrying on of their Service Bureau. If the money was available for this purpose Mr. MacNeil had a perfect right to apply for it, but not as an official of the Dominion Veterans' Alliance, and I am still at a loss to understand why the Order in Council subsequently issued should have referred to the D.V.A., when apparently no application had been made on their behalf. If Mr. MacNeil had only taken some other people into his confidence, and kept the other Associations advised as to what he was doing, there never would have been any trouble about the matter at all.

After what has occurred, I feel that the Dominion Veterans' Alliance should not continue to function further at Ottawa. The object for which it was formed, (Amalgamation) is not in sight; at least, in the near future. The work of its Legislative Committee can very well be taken on by a Committee similarly composed, of one representative of each Association, without any further reference to the Council of the D.V.A.

I felt rather humiliated and embarrassed when I ascertained that certain of these cheques had been made to the Dominion Veterans' Alliance, and I don't purpose that such a thing shall occur in the future. The different organizations of Veterans are now maintaining their own Service Bureau at Ottawa, and there is no work in that particular line for the Dominion Veterans' Alliance to do. I am accordingly recommending to you that you should from now on, withdraw your representatives from the Council of the Dominion Veterans' Alliance, so that there will be no further entanglement in connection with it, and I feel that that can be done now without in any way hindering or embarrassing the Veteran movement, or the organizations which have been so prominent in its behalf.

I trust this letter will not be taken in any way as a reflection upon the G.W.V.A. or its work. I feel that that organization has done more than any other individual organization on behalf of returned veterans, and that is saying a good deal, because all veteran organizations have done a very great deal of splendid work on behalf of their less fortunate comrades. I have not the slightest doubt, either, that the money received from the Disablement Fund was properly expended for the maintenance of the G.W.V.A. service bureau, and that no one benefitted personally by it to the extent of one cent.

Yours faithfully,

(Sgd.) F. G. TAYLOR,

Chairman, Dominion Veterans' Alliance.

By Hon. Mr. Griesbach:

Q. That is a true copy?—A. With the exception of one sentence that was dropped, which is not important. Generally speaking, it is correct.

Q. When you applied to the Minister for this loan from this fund, you say you have no recollection of his having said that the loan was to be to the Dominion Veterans' Alliance, as representing all Associations?—A. There was no reference made to the Alliance at all, sir. It is a well-known fact that the Alliance did not conduct a Service Bureau.

Q. You are unable, therefore, to explain how it comes that the leader of the Government, speaking for the Government, should make this statement:—

The Minister suggested that the loan be made to the Dominion Veterans' Alliance, which was, in his opinion, a body representing all the Veterans' organizations.

You cannot explain that?—A. I have no comment to make.

Q. Nor can you explain why it was that the Order in Council, which was subsequently issued, giving the authority under which those payments were made, should be made to the Dominion Alliance?—A. I cannot explain that.

Q. And although the cheques were made in favour of the Dominion Alliance, and although you knew that the Order in Council provided that payment should go to the Dominion Veterans' Alliance, you thought that you had the right to turn the money over to the Great War Veterans' Association?—A. Quite so.

Q. Therefore you disagree with those parts of Mr. Taylor's letter in which he says that in his opinion you should have consulted with them?—A. Perhaps Major Taylor has overlooked the fact that the Alliance never provided themselves with any banking arrangement by which the money could be turned over to them.

Q. For that reason you did not think it necessary to notify the Dominion Veterans' Alliance?—A. For the reason I have given, that I considered it was a strictly G.W.V.A. transaction. Having in mind the Minister's instructions, I gave him no notification of that.

By the Chairman:

Q. You had no further communication with him about it?—A. With the Minister?

Q. No with the Chairman of the Dominion Veterans' Alliance?—A. No, sir, not till after the statement was made.

By Captain Shaw:

Q. He lives in Manitoba?—A. He lives in Manitoba.

By Hon. Mr. Griesbach:

Q. Of course you knew the trusts involved in the Disablement Fund, and its purpose?—A. Yes, sir, in my original application I brought them to the attention of the Minister. I quoted from the record the statement made by the trustee of the fund as to the purposes held in view for it.

Q. You had previously received \$5,000 from the Disablement Fund, had you not?—a previous payment?—A. That was with regard to the transaction already spoken of by Major Parkinson on the stand. It was an advance which was reimbursed to the Disablement Fund from the vote of the public fund.

Q. And you knew that that particular amount was incurred by the vote of the House of Commons under the head of Sheltered Employment?—A. I have no knowledge of that, sir. As it appeared in the supplementary estimates it was directly specified for such a purpose.

Q. For Sheltered Employment?—A. No, for reimbursement of expenses incurred in appearances before the Royal Commission. In the meantime, before that vote was made, we had secured an advance, and it was reimbursed, by our consent, from this vote. I may point out that one of the purposes of the fund was:—

4. Generally to take such steps as may be deemed necessary or desirable to carry out the duty of the Canadian people to the men who have suffered in defence of our national liberties.

Q. The Dominion Veterans' Alliance had then come to an end, had it?—A. No, sir. Major Taylor's suggestion before the various organizations will no doubt be outlined, as to better organization, in the convention which assembles in a few weeks in Ottawa.

Q. How is it proposed to repay this \$15,000 to the Disablement Fund? How do you propose to repay it?—A. The only proposal on the record is, in the event of any grant being made to the G.W.V.A. we are quite willing to have it reimbursed from any such grant, if any grant were ever made.

By the Chairman:

Q. Was it in the nature of a loan, or was it simply handed over as an advance for certain definite purposes?—A. We applied, sir, for a grant.

Q. As a grant?—A. As a grant, yes, sir.

Q. It did not entail the obligation of furnishing an account?—A. Oh, yes, sir.

Q. To the Department?—A. Yes.

Q. And you have furnished that?—A. Well, it is now involved in the general accounting. The time had hardly arrived when it would be possible to make a statement. The first demand was only made this year. Our audit closed on the 1st of May.

Q. Have you reported from time to time what use you were making of this grant—to the department?—A. No report was made. I think it was a matter of general knowledge that we were conducting the activities.

Q. I do not mean necessarily a written report but have you kept the Department in touch with what was being done with the money?—A. Not formally, but

we assured them that any time they could satisfy themselves that this work was proceeding, and that the money was being properly expended.

Q. You were waiting to make one final report?—A. Which is now involved in the general audit under way.

Q. And that will account for the whole of it?—A. Yes, sir. I should explain in regard to Senator Griesbach's question as to terms of my letter of application, I pointed out to the Government that through an unusual series of circumstances the responsibility devolved on the G.W.V.A., and it was not properly the Association's responsibility. We were not doing it for our members, we were doing it for all ex-service men, anybody who cared to apply, and it was proving ruinous to the Association, and absorbing all our resources, because the Association, from a purely business point of view, was not gaining any advantage whatever. We brought the matter to the attention of the Ralston Commission, and also from time to time to the attention of the Government, and the matter was partly dealt with by the Soldiers' Advisers, but not completely. We had been advocating that some independent body be set up that would deal with this problem in reference to soldiers' organizations in a way that would be satisfactory, and yet with greater latitude than might be possible by any Government department, simply to provide adequately in regard to the large volume of the unemployed who are passing back and forth at the present time, and generally stabilize conditions. We considered that we were required to carry this out. We had a large number of active brains which were now being simply dumped on the street, until either by the sanction of Parliament or the Canteen Fund some organization would be created to take care of this problem. We were merely carrying it in the interim, and were quite prepared to make an accounting of all our expenditure in connection with this matter, and whatever arrangement might be made to allow reimbursement to the Disablement Fund for interim expenditure.

By the Chairman:

Q. Did you assist and advise the Department? Did you request them to go on and create this independent body you speak of?—A. That discussion has been more with the Minister, and is related more to the Bill which is now before the Committee. We had not been bidding for this work.

Q. But you asked for an advance?—A. Because temporarily we were carrying this general responsibility.

By Hon. Mr. Griesbach:

Q. Under the Order in Council you were required to submit a statement of this expenditure?—A. Yes.

Q. Where is the statement? Have you got it?—A. The letter from Mr. Scammell asking for this statement, I don't think I have it here, as the order for return was made in the Senate, and we are preparing that statement. We referred that matter to the auditors, and we were about to prepare that statement when we received advice of this inquiry, and we proceeded then with the more general audit, and I advised Mr. Scammell that the information required would be included in the general audit, in the records now in possession of the general auditor.

Q. Will you bring down the statement, and have your details of the particular amount, or has this particular amount been dumped into the general revenue?—A. Deposited to the general account of the Association.

Q. But the Order in Council strictly provides that an itemized statement shall be given?—A. We can provide a statement of expenditure for purposes specified for that amount, \$15,000.

Q. But the Order in Council and the letters—the covering letters which forwarded you the cheques—were very specific about that?—A. We can give an itemized statement.

Q. It will be necessary for you to keep a detailed record of the manner in which this money is expended?—A. We have a detailed record. The books are now in the custody of the Departmental auditor.

Q. Will it be the same sort of statement as the other: That the money was lumped into the general receipts and expenditures; or have you kept a separate statement as required by these letters?—A. I do not read the Order in Council to demand a separate statement.

Q. Did you earmark this money for any particular purpose?—A. I think that should be understood. We were not conducting any other activities than those specified in the Order in Council, and it was applied strictly to the activities specified, and we can furnish vouchers for the expenditures to the amount of \$15,000.

Q. Yes, but running through all these letters forwarding this money is this definite statement—and your replies. And a letter dated January 5 says:—

It is requested that as soon as the full amount has been expended you will favour me with an itemized statement in accordance with the request previously submitted to you.

Did you earmark this money for a particular purpose?—A. We earmark it for the purpose specified. We were very much in the position that I would be in if I were given \$5 by a member of this Committee to make a purchase downtown. I would put the money in my pocket, perhaps with my own money, and would make the expenditure and have a voucher; but perhaps I would not be able to prove it was the same \$5 bill.

Q. This is the same story as the Canteen Fund?—A. We have a detailed record of all expenditure.

Q. We can see the statement, and then we will know. But it was not earmarked except for your general purposes; it was not earmarked for any specific purposes?—A. Because we were supplementing that with our own investment for no other activities; we were conducting the activities specified.

By the Chairman:

Q. I understand that everything you received went to one common fund?—A. One bank account.

Q. You did not keep an account for the Disablement Fund or the Canteen Fund; that all went into the one account?—A. Yes.

Q. And you kept in your books no separate accounts under separate heads?—A. No separate bank account. We can show the allocation of the expenditure.

Q. But you would not have a Canteen Fund ledger account?—A. No, sir. At the time we were not so instructed, and our Executive considered it unwise—

Q. Never mind.

By Hon. Mr. Griesbach:

Q. All your expenditures were by cheque?—A. Yes, sir, countersigned by the Association Auditors.

Q. On what day did you notify the Executive Committee that you received this money?—A. The same date I notified the President.

Q. Did you explain to the Committee that the cheques were made out to the Veterans' Alliance?—A. I explained that to the President.

Q. When was that explained to the presidential committee?—A. I would have to look into the records; the presidential committee is not here, it is in Brampton. I know an investigating committee was appointed this year, and on their report—it is on the minutes of the Executive Committee, stating that in their opinion the transaction was regular.

By Captain Shaw:

Q. You spoke, Mr. MacNeil, about the nature of the Association known as the Dominion Veterans' Alliance. I understand that that organization owes

the Great War Veterans' Association a very considerable sum of money?—A. Yes, sir, as recorded in the minutes.

Q. Could you tell us the amount approximately?—A. At that time it was \$19,000; to date it would be in the vicinity of \$25,000.

Q. That was in connection with the work undertaken by the G.W.V.A. on behalf of the Dominion Alliance?—A. Yes, sir, and in the name of the Dominion Veterans' Alliance.

By the Chairman:

Q. At their request, do you say?—A. There was no other alternative.

Q. Did you do it off your own bat?—A. We made our facilities available to the Alliance.

Q. What authority did you have from them to do this work and charge the expense to them?—A. The Council met and asked that this work be done.

Q. You mean the Alliance people?—A. Yes, sir.

Q. It was done at their request then?—A. The work was done at their request.

Hon. Mr. GRIESBACH: Would you ask the witness whether this account of \$17,490 has been submitted to the Dominion Veterans' Alliance and accepted by them?

Captain SHAW: \$19,000, I think it is.

The WITNESS: I have just quoted from the minutes of the Alliance. I cannot very well go beyond that.

By Hon. Mr. Griesbach:

Q. That discussed things in general terms. Here is the statement of indebtedness, alleged to be \$19,960—the figures do not get down to anything closer than \$50—it does not look like an actual account. I am just asking this question: Has this account been laid before the Dominion Veterans' Alliance?—A. Yes, sir.

Q. And do they say it is a fair account which they owe?—A. Oh, they could not deal with it, sir.

Q. It is a sort of gesture; they never had the money?—A. It is made quite clear that no other organization present at that meeting could attempt to deal with the account.

Q. This account was just made out to show how valuable the G.W.V.A. was?—A. To show that the G.W.V.A. had financed the Alliance to that extent.

Q. It is not an actual statement of expenditures at all?—A. Obviously they could not deal with it.

Q. It is round figures, all through?—A. If the organizations had been willing to share the responsibilities we would have pressed for the settlement of the account, and they would have been forced to deal with the question of whether it was a correct charge.

Q. Just now it is nothing—just figures?—A. The instructions in policy laid down by the Dominion Executive Committee have been to see first of all that the service is done, and to settle the matters afterwards.

By the Chairman:

Q. Have you requested them to pay this?—A. No demand has been made upon the Alliance, except the presentation of the account.

Q. Was the account rendered without the expectation of payment?—A. We had no expectation of payment.

Q. Did you at that time have any expectation of it being paid?—A. No, we had no expectation. We knew their resources.

By Captain Shaw:

Q. Now, Mr. MacNeil, you have told us about your conversations with the Minister, and I understand—your application is maybe in one of the exhibits—your first application in writing did not specify a particular amount?—A. No, sir.

Q. Did the Minister between that date and the date of the Order in Council indicate to you in writing or orally what amount, if any, the G.W.V.A. might expect?—A. By a telephone conversation, prior to his departure for Europe, the Minister for the first time gave me the details of the arrangement: that \$15,000 would be advanced from the Disablement Fund—\$5,000 had already been advanced—and payment would be made on the 1st of October.

Q. Was there any suggestion of the Dominion Alliance in your conversation with the Minister?—A. No, sir.

Q. The application was made on behalf of the G.W.V.A.?—A. Absolutely.

Q. And no other organization?—A. No other organization.

Q. Did you consult General Currie in connection with this matter?—A. Yes, sir.

By the Chairman:

Q. Did I understand you to say that the cheques for these advances were made payable to the order of the Alliance?—A. The first three cheques, totalling \$5,000, were made payable to the G.W.V.A.

Q. What cheque, if any, was made payable to the order of the Dominion Alliance?—A. The last two cheques.

Captain SHAW: Each for \$5,000.

By the Chairman:

Q. How do you reconcile that with the agreement made with the Minister, and the request that you made that the money should be advanced to the G.W.V.A.?—A. I cannot, sir. I had no opportunity of consultation with the Minister as he was then gone to Europe.

Q. How did you come to turn that money over to the Association? Here are two cheques payable to the Dominion Alliance, and we find that the proceeds of those cheques go into the coffers of the Association. How did that come about?—A. I was Secretary of the Alliance. I have already explained that I had my agreement with the Minister.

Captain SHAW: I do not think you understand. The suggestion is that the Order in Council and the cheques were made in error, and that the G.W.V.A. was the organization entitled to the money pursuant to the previous arrangement with the Minister—that the Dominion Veterans' Alliance could not comply with the Order in Council.

The CHAIRMAN: So far, so good, but here we have the fact that the two cheques were made payable to the Alliance.

Captain SHAW: That is quite right.

The CHAIRMAN: But how is it that the money went into the coffers of the Association?

Captain SHAW: I thought Mr. MacNeil had explained that fully. First of all he takes all the facts into consideration—

The CHAIRMAN: I know; but by what process could a cheque made payable to the Alliance be endorsed or arranged so that the money would go to another Association?

Captain SHAW: He has already stated that he endorsed it "Dominion Veterans' Alliance, per C. G. MacNeil, Secretary," and on the cheque I think also appears—

The CHAIRMAN: What authority has the Secretary of the Alliance to endorse those cheques?

By the Chairman:

Q. As Secretary you did not have authority to endorse the cheques?

Hon. Mr. GRIESBACH: I think he has already stated that nobody had any authority.

The CHAIRMAN: Then, how did the bank endorse the cheque?

Captain SHAW: If the bank has done an improper act, no doubt the department can recover. The cheques are payable to the Dominion Veterans' Alliance, endorsed on the back "Dominion Veterans' Alliance, per C. G. MacNeil, Secretary."

The CHAIRMAN: That could only be done through ignorance or innocence of the bank, or collusion.

Captain SHAW: I do not undertake to explain the actions of the bank.

By Captain Shaw:

Q. Now, Mr. MacNeil, you have already explained the circumstances of your conversation with the Minister, whereby the G.W.V.A. was to get \$15,000. Do you know whether or not the sum of \$35,000 was expended out of this Disablement Fund for the Institute of the Blind?—A. Yes, sir, that is correct, and appears in the statement of the Fund.

Q. Do you know whether or not an Order in Council—

Hon. Mr. GRIESBACH: I did not hear the question.

Captain SHAW: I asked whether, previous to the cheque we are now talking about, \$35,000 of this Disablement Fund was expended for the purposes of the Institute of the Blind.

By Captain Shaw:

Q. Is that true?—A. Yes, sir, that is true.

Q. And can you tell me whether or not in that case an Order in Council was put through?—A. I am informed that there was no Order in Council, and Mr. Scammell's statement, as submitted in the House, transferred to the National Institute for the Blind under instructions of the late Mr. James Carruthers of Montreal.

Q. Now, how was this cheque signed?—A. Signed by E. H. Scammell.

Q. Can you tell me why an Order in Council has got to be passed in order to appropriate for any purpose a fund in the name of Mr. Scammell?—A. No, sir, I have never seen the necessity.

Q. You do not pretend to be a lawyer in connection with these matters?

Hon. Mr. GRIESBACH: I think the answer to that is fairly obvious. The mistakes disclosed the fact that the Trustee had no right to make such a loan, and had to be protected by the Order in Council.

Captain SHAW: You mean, in the case of the blind?

Hon. Mr. GRIESBACH: I think that was not in his hands at that time. First of all this fund was in the hands of the Department of Militia for the purchase of machine guns. It has had a rather peculiar career.

Captain SHAW: There is really no necessity for the Order in Council at all. That is what I want to suggest. The fund has been in the name of Mr. Scammell as Trustee, and he paid \$35,000 apparently without an Order in Council previously, for a purpose which could not be called the loaning of a small amount to the soldiers. Mind you, I am not questioning that the purpose was an entirely fitting and proper one.

By Captain Shaw:

Q. I understood from you at one stage that you had consulted General Currie about this matter. Did you know whether or not General Currie was in communication with the Minister in the matter?—A. Yes, sir; General Currie communicated with the Minister.

Q. Before General Currie approved of the application of a portion of this Disablement Fund to maintain and operate a service bureau in this city.

The CHAIRMAN: Captain Shaw, that is hearsay altogether.

Captain SHAW: The only thing is, Mr. Chairman, the letter was introduced from Mr. F. G. Taylor, and it of course is entirely hearsay too.

The CHAIRMAN: I have no particular objection, but I want to call your attention to it.

Captain SHAW: I quite realize that, but we have evidence that General Currie was in communication with the Minister, and we put in it under the circumstances.

By Captain Shaw:

Q. Now, Mr. MacNeil, I want to direct your attention to the Minute upon which the Order in Council was based and to which reference has already been made—P.C. 1596. (Exhibit 3).

Q. I want to direct your attention to the second paragraph. "The Dominion Veterans' Alliance, which represents the various veterans' organizations throughout Canada, has for a considerable time past maintained a service bureau in Ottawa." Is that correct?—A. No, sir.

Q. So that is obviously a mis-statement in the Order in Council. Following further in the same paragraph: "It is stated by the officers of the Alliance that the service given involves considerable expenditure." Did you, as an officer of the Alliance, indicate to the Minister or anyone in his Department that the service given by the Alliance involved considerable expenditure?—A. No, sir; I never indicated it.

Q. So that is obviously another mis-statement of fact. Now I direct your attention to the fourth paragraph: "The Minister further represents that in order to enable the Dominion Veterans' Alliance to continue its activities a loan of \$5,000 was made by the Trustee of the Disablement Fund in June, 1924." Did the Dominion Veterans' Alliance in 1924 get a loan from the Disablement Fund of \$5,000?—A. No, sir; the G.W.V.A.

Q. That is another mis-statement in the order in council. The G.W.V.A. got \$5,000 in June, 1924, did they not?—A. Yes, sir.

Captain SHAW: The suggestion I want to make to the Committee is, that the G.W.V.A. and the Dominion Veterans' Alliance have been apparently confused in the mind of the Department and they have not been able to distinguish the one from the other. That is perfectly apparent from the Minute itself, and consequently that is probably an explanation.

Hon. Mr. GRIESBACH: Would you suggest that a man like Mr. Scammell, who has been on this job for the last five years, does not know the difference between these two bodies?

Captain SHAW: I do not know Mr. Scammell at all personally, but I just present the Order in Council, and I have no doubt that Mr. Scammell drew that up. I let the Order in Council speak for itself.

The CHAIRMAN: What is the difference anyway?

Captain SHAW: The point is that the people in the Department were confused as to Mr. MacNeil's plain, straight application on behalf of the G.W.V.A., and they apparently did not know the difference between the G.W.V.A. and the Dominion Veterans' Alliance.

Hon. Mr. MACDONNELL: Not at first, but after paying out two \$1,000 cheques and one \$3,000 cheque to the G.W.V.A., they say that it was an error and that they should have paid them to the Dominion Alliance.

Captain SHAW: That statement, sir, is the statement made by Mr. Scammell when this matter arose in Parliament in March last. Here is the Minute of the order in council of the 16th of September, 1924. The G.W.V.A. received this \$5,000 in June of 1924, and yet he says right in that order in council that the Dominion Veterans' Alliance got the \$5,000 in June of that year. That obviously was a mistake. I do not suggest that these gentlemen had any improper motive. Not for a single moment do I suggest that, but I do suggest the confusion that arose between these two organizations, as to the relationship of the G.W.V.A. with that other organization, and perhaps also a failure to appreciate the purposes of each separate organization.

The CHAIRMAN: I think Captain Shaw is nearly through.

Captain SHAW: I will not ask any more questions this morning.

Committee resumed at 8 p.m. on Thursday, June 4, 1925.

ERNEST HENRY SCAMMELL, Assistant Deputy Minister and Secretary of the Department of Soldiers' Civil Re-establishment, Ottawa, appeared as a witness, and having been duly sworn, testified as follows:—

By Hon. Mr. Griesbach:

Q. We are all thoroughly familiar with the fact that the Disablement Fund was in the first place subscribed by Mr. Carruthers, of Montreal. Will you tell the Committee what its first intention was?—A. I do not think, Senator, that the first contribution was received from Mr. Carruthers. His was among the earliest, but the money was handed over for use, practically, as the Government might see fit.

By the Chairman:

Q. Who had the administration of it in the first instance?—A. Sir James Loughheed.

Q. That was, your Department?—A. Well, he was at that time Acting Minister of Militia.

Q. What was the amount?—A. The total amount that was subscribed—about \$134,000.

By Hon. Mr. Griesbach:

Q. \$75,000 by Carruthers?—A. No, \$100,000 by him.

Q. And the remainder by a lot of other subscribers?—A. By a great many other subscribers.

Q. It would be true to say, cutting out all the preliminary part, that ultimately the trust was more or less established by reports circulated by Associated Press—the interview with E. H. Scammell, September 3, 1915; there we get for the first time the nature of the trust?—A. Yes.

Q. I will read it:—

OBJECTS OF FUND

(1) To supplement the pension or compensation granted by the Government in cases where this is insufficient for the support of dependents.

(2) To educate and train those who are unable to follow their previous vocation in other lines of industry and to supplement their earnings during the period of training.

(3) To assist those totally incapacitated, either by the erection and maintenance of permanent soldiers' homes, or as may be hereafter determined.

(4) Generally to take such steps as may be deemed necessary or desirable to carry out the duty of the Canadian people to the men who have suffered in the defence of our national liberties.

The WITNESS: That is what I stated at the time.

Q. Then I observe that there was some qualification, or rather a re-statement, of the same thing in a letter mailed to every subscriber, dated June 8, 1923?—A. That is so.

Q. A restatement, and somewhat of an enlargement of the nature of the trust, in these words:—

(1) To grant short loans to men on the strength of the Department for training or treatment where such loans will tide over a temporary emergency.

(2) To make small grants to ex-members of the Forces who are in need of the same to tide over a difficult situation or a temporary emergency.

(3) To make small loans or grants to dependents of men on the strength of the Department, in cases of special need.

(4) To make small grants in cases of special need where pension is found to be inadequate.

(5) To make small loans and to purchase household necessities where urgently needed, through the intervention of Social Service Workers under the Vocational or Medical Branches.

Would that be a statement of the trust—those two quotations—or do you think I should go on and read further?—A. Well, that statement is qualified by what follows, but that is really the situation.

Hon. Mr. ROBINSON: Who made that declaration?

Hon. Mr. GRIESBACH: The trustee himself, Mr. Scammell.

By the Chairman:

Q. How did this trust come to you?—A. It came in this way. In the summer of 1915 moneys were being sent to the Government for the purchase of machine guns, by various people all over Canada, and a very large sum of money was contributed. A wave of patriotism seemed to have gone over the country, and it was felt that the Government was not purchasing all the machine guns which were required. That was not the case, and it was a little difficult to know what to do with this money. Sir James Lougheed, who was then Acting Minister of Militia as well as President of the Military Hospitals Commission, suggested to me that I give an interview to the press, and endeavour to arrange for the creation of a fund which might be useful in connection with the men who were returning from overseas. I did that.

Q. To be administered by whom?—A. Well, there was nothing said about it; it was to see whether we could raise a fund. Certain moneys came in, including the promise of \$100,000 from Mr. Carruthers. Later he sent the first instalment of that—a cheque for \$25,000—to Sir Thomas White, who was Minister of Finance. At that time it had not been decided that the Government would provide vocational training. At that time the rate of pension payable was very small indeed, and utterly inadequate, and it was thought that probably a fund of very large dimensions might be required for the purpose of providing vocational training on the one hand, and the augmentation of pensions on the other. It was also thought that if any moneys were over, these might be utilized for the establishment later on of soldiers' homes. That was the general broad idea. About the end of 1915 I proposed to make an appeal to the country in regard to this fund, and had set a goal of \$5,000,000 as our first objective. Sir Herbert Ames, however, saw Sir James Loughheed, and he saw me, and he stated that if we launched such an appeal it would jeopardize a further appeal which was necessary for the Patriotic Fund, and he asked us, therefore, to refrain from taking any action. As the Patriotic Fund certainly had the first call, we refrained from taking any action, and the Disablement Fund remained practically in statu quo. The money that was subscribed we invested in Government bonds, and put those bonds in the Bank of Montreal.

Q. That is, for the Disablement Fund?—A. Yes.

Q. What was the amount of that?—A. It had reached about \$100,000 in promises and contributions at that time—a little more than \$100,000. Amounts continued to come in in smaller and larger instalments during 1916 and 1917. During 1916 the Government decided that vocational training would be provided at public expense. Further than that, the pensions were increased, and as you know they have been increased year by year; therefore no steps were taken to enlarge the Disablement Fund. But a need arose for the utilization of some moneys, and Sir James Loughheed passed the matter into my hands, practically appointing me trustee. The bank account was in my name in the bank.

Q. That is, in 1917?—A. From the beginning it was. Therefore we began to use the fund during 1916 to a very, very small extent. Gradually the demands grew, and the necessity grew, until to-day the fund is a very active one. In the meantime Mr. Carruthers requested that we should transfer a part of his gift to another organization. The amount that we transferred at his request was \$35,000, so that it reduced his gift from \$100,000 to \$65,000.

Q. To what fund was that transferred?—A. The Canadian National Institute for the Blind.

By Hon. Mr. Griesbach:

Q. The trust is further qualified, and I think for the last time, according to this file, by these paragraphs:—

(a) To meet cost of transportation to enable the loanee to proceed to another point where he had been assured of employment.

(b) To meet emergencies due to sickness in the family where it was necessary to make immediate purchases of medicine and nourishing foods. Advances in such instances have been made to both disability and dependent pensioners.

(c) To assist in paying overdue taxes on real estate (Dwellings) where the sum the applicant had was less than the amount he was called upon to pay.

(d) To meet other domestic emergencies where a small outlay was urgently required to prevent hardship falling on the dependents of ex-service men.

Q. That, as I read the file, is the last qualification, and constitutes a trust by your own declaration?—A. The statements you have read are what I consider the fund, in the main, should be used for.

Q. And that is what it has been used for?—A. That has really grown out of experience.

Q. That is what the fund has been used for?—A. Exactly.

Q. My contention has been that these public declarations, these statements, constitute a trust; these statements, principally, were issued to subscribers, and the subscribers, in response to these statements, subscribed, and thereupon a practice grew up, I would say, and the trust was established?—A. May I say that the majority of those statements have been issued since the last subscriptions have been received.

Q. But you are the trustee, and these must constitute at this date the nature of the trust?—A. Yes.

By the Chairman:

Q. The trust has been exercised under those conditions, and the moneys applied to one or other of the purposes mentioned?—A. Yes.

By Hon. Mr. Griesbach:

Q. I want now to direct your attention to a loan from this fund which was got by the Dominion Command, Great War Veterans' Association, amounting to the sum of \$20,000—the first separate Order in Council, P.C. 1565 of August 14, 1923, for \$5,000, and that was repaid by a sum of money appropriated by Parliament?—A. Yes.

By the Chairman:

Q. Was that payment of \$5,000 accompanied with directions from your department to the Association as to the uses to which the money was to be applied?—A. I am not sure about that. I am not sure whether any letter was issued in connection with that first cheque of \$5,000.

Hon. Mr. GRIESBACH: With respect to that first \$5,000, it was repaid by an amount in the estimates, passed by the House of Commons.

By the Chairman:

Q. I rather think it would be important to know if the directions given by the Department were observed?—A. That money was loaned to the Great War Veterans' Association at the instance of the Hon. Dr. Beland, and an undertaking was given by him that an item would be inserted in the estimates to reimburse the Disablement Fund. It was at the time when the Association was actively engaged in the preparation of cases for the Royal Commission, and it was in connection with that, especially, that the grant of \$5,000 was made by Parliament.

By Hon. Mr. Griesbach:

Q. Passing to the Order in Council, 1596, of September 16, 1924, \$15,000, what the Committee would like to know is the genesis of that particular transaction, because you know what happened ultimately; the Order in Council was passed, the \$15,000 was paid over—first \$5,000, in cheques of \$1,000, \$1,000 and \$3,000, and subsequently two cheques of \$5,000; what was your first connection with that transaction?—A. It was an interview with my Minister, in which he requested either a grant or a loan to the G.W.V.A. be made.

Q. To the G.W.V.A.?—A. To the G.W.V.A., yes, sir, of \$5,000.

Q. This is the first \$5,000, you are speaking of?—A. No; I am talking of the second \$5,000.

Q. Of the second \$15,000?—A. It did not become \$15,000 till later. The second item was to be of the same nature as the first item. The first item, in

1923, was a loan to the G.W.V.A. anticipating a grant by Parliament. The second was to be a similar loan, anticipating, however, reimbursement from the Canteen Fund, and was to be for \$5,000.

By the Chairman:

Q. Let me repeat my question here: was there any direction to the G.W.V.A. in connection with one or more of those three sums?—A. Not the first item of the \$15,000.

Q. At what date did you begin—if you did at any time—to give directions in regard to the expenditure of the money so granted or passed?—A. When, after the failure of the Canteen Fund Bill to become law, Mr. MacNeil approached the Minister with a view of obtaining further money.

Q. Was the purpose indicated by the G.W.V.A.?—A. Not in my hearing.

Q. Can you find whether any directions were given in writing at the time the money was paid?—A. Oh, yes.

Q. Let us have that?—A. I have already filed that. On the 2nd of October, 1924, I wrote to Mr. MacNeil as Chairman of the Dominion Veterans' Alliance, as follows:—

In pursuance of the arrangement made that I should make a further advance to you of \$5,000 from the Disablement Fund, I now enclose a cheque for this amount.

It is understood that this advance as well as that made of a similar amount last June, and the proposed further advance to be made on the 1st January, 1925, shall be applied only for the purpose of maintaining an adjustment bureau in the city of Ottawa, and that no portion of the said amounts shall be expended for any other purpose.

In view of the fact that it is proposed to reimburse the Disablement Fund out of any moneys which may be granted to the Alliance from the Canteen Funds or otherwise, it will be necessary for you to keep a detailed record of the manner in which this money is expended.

By Hon. Mr. Griesbach:

Q. That is getting ahead of the way I am putting the question; you will notice that that letter is directed to the Chairman of the Dominion Veterans' Alliance?—A. It is.

Q. First of all, I want an explanation of why two cheques of \$1,000 each and one cheque of \$3,000 were paid to the G.W.V.A.?—A. Because it was understood at that time, sir, that the advance was to be on exactly the same lines as the advance made the previous year, which had been to the G.W.V.A.

Q. And that was prior to this issue of the Order in Council on September 16, 1924?—A. Certainly.

Q. Now comes the Order in Council, which provides for a sum of money to be advanced to the Dominion Veterans Alliance; now, what is the explanation for that?—A. A very simple one. Mr. MacNeil, in appearing before various Parliamentary Committees, has appeared as the representative of all Veterans organizations, and he has represented not only to the various Committees, but to the Minister of Soldiers' Civil Re-establishment, that he has been representing the various veterans' associations, and when applying or appealing for financial assistance it has been for the maintenance of an Adjustment Bureau. When, therefore, a request was received by the Minister for a further advance from the Disablement Fund, he and I discussed the matter, and we said, "Now that the position has somewhat changed, in that the Canteen Funds' Bill did not become law, and we do not know what will happen, it would be advisable to make this loan to the Dominion Veterans' Alliance."

Q. So that it was a deliberate move on the part of yourself and the Minister to draw that Order in Council as it was drawn?—A. Most decidedly, sir.

Q. No accident or mistake about that?—A. No accident or mistake whatever. It was intentional, entirely.

Q. Now we come to the time when you sent Mr. MacNeil a cheque for \$5,000, being the first \$5,000?—A. Yes.

Q. That is the letter you just quoted, October 2, addressed to C. G. MacNeil, Esquire, Chairman, Dominion Veterans' Alliance; there was no mistake or accident about that?—A. None, except that I should have said Secretary instead of Chairman.

Q. Then you enclosed a cheque for Mr. MacNeil in favour of the Dominion Veterans' Alliance?—A. I did.

Q. And what was the reaction in that case? Did Mr. MacNeil come to see you?—A. Mr. MacNeil came to see me, and asked me to change the cheque to the Great War Veterans' Association.

Q. And what did you do?—A. I told him that I could not do it.

Q. Could not?—A. No. Mr. MacNeil had not seen the Order in Council. I did not show it to him, but I told him that this loan was made to the Dominion Veterans' Alliance.

Q. That is, the loan of \$10,000, now?—A. The \$5,000—the second cheque—bringing the amount up to \$10,000.

Q. You meant that the whole of the loan had been made to the Dominion Veterans' Alliance, or what did you mean, precisely?—A. I meant that the loan, as it was then being made, was to the Dominion Veterans' Alliance—the \$5,000. He had suggested that I change it to the G.W.V.A. When I said that I could not do that, he suggested that I add his name to the cheque—make the cheque payable to him for the Dominion Veterans' Alliance. That I also declined to do, but I added this—that I was not interested in how that cheque was endorsed, as long as it was endorsed by a responsible official of the Dominion Veterans' Alliance, that would be perfectly satisfactory to me. What use the Alliance made of the money—at least, how it applied the money—did not interest me at all as long as the cheque was properly endorsed.

Q. Were you justified in taking that view?—A. Certainly, because I was handing this money to a responsible official of the Dominion Veterans' Alliance—the official who had made the application for the money. I did suggest to him that he might pass it to the Treasurer, or that he could endorse the cheque himself.

Q. Then you made that cheque payable to the Dominion Veterans' Alliance because the Order in Council provided that the loan was to be made in that way?—A. Precisely.

Q. Now, with respect to the second cheque for \$5,000, what happened in that case?—A. That is the last cheque?

Q. The last cheque?—A. That was similarly made to the Dominion Veterans Alliance, and was accompanied by a letter dated January 5, 1925:—

In accordance with the arrangement made between yourself, the Hon. Dr. Beland and myself, I enclose a further cheque payable to Dominion Veterans' Alliance, amounting to \$5,000. This will complete the \$15,000 promised, and it is requested that as soon as the full amount has been expended you will favour me with an itemized statement in accordance with the request previously submitted to you.

That was addressed to Mr. C. G. MacNeil, Secretary to the Dominion Veterans' Alliance.

Q. Then do you say that the cashing of that cheque by the G.W.V.A. is in order, or not in order?—A. As far as I am concerned it did not matter what bank it was placed in as long as it was endorsed by the Dominion Veterans' Alliance.

Q. That is not quite an answer to the question; as a matter of fact the G.W.V.A. got it, and I am asking you whether it was proper that they should

get it?—A. I do not think that is for me to say. I am not interested—I was not interested—in what the Dominion Veterans' Alliance chose to do with that money, so long as it was applied in accordance with the two letters which I read.

Q. Applied to the Dominion Veterans' Alliance?—A. Precisely; and if the Dominion Veterans' Alliance chose to hand that money to the G.W.V.A. they could do so.

Q. You considered that in handing it to the officer of the Dominion Veterans' Alliance your responsibility ended?—A. Certainly.

Q. I agree to that, but in view of the time that passed between the time when the first cheque was paid, there had been an interview between you and the Minister, and an application made that a loan should be made to the Dominion Veterans' Alliance; and does it not appear that the view of the Order in Council and the view of the Minister was defeated?—A. Apparently it was, but that was a matter into which we could not go. I made the cheques payable to the Dominion Veterans' Alliance.

By the Chairman:

Q. In order that there may be no mistake in this it would be well to note the particulars of the various cheques: June 7, 1924, is a cheque payable to the Veterans' Association for \$1,000, and merely deposited in the bank to the credit of the Association. The next one in order of date is June 16, \$1,000, payable to the Veterans' Association, and deposited in the same way. The third is June 18, \$3,000, payable to the Association, and deposited in the same way. Then we have the fourth cheque dated October 2, 1924, for \$5,000, payable to the Dominion Veterans' Alliance, and that is endorsed by the Dominion Veterans' Alliance, C. G. MacNeil, Secretary. Then the last cheque is January 5 of this year, payable to the Dominion Veterans' Alliance for \$5,000, and again endorsed in the same way by Mr. MacNeil, Secretary for Dominion Veterans' Alliance; now you have got the story?—A. Yes.

By Hon. Mr. Griesbach:

Q. Now, going back in your evidence, after you had paid the first \$5,000 in three cheques of \$1,000, \$1,000 and \$3,000, you and your Minister had a consultation, and you and your Minister decided that the G.W.V.A. should not get the remainder, but that the Dominion Veterans' Alliance should?—A. That is so, sir.

Q. What is the reason for that change of policy at that point? It is important in view of what followed?—A. The basic reason for changing the policy was that the Minister was receiving applications for money from other veterans' organizations, and he quite expected that he would receive numerous applications, and we felt, in discussing the question, that if this loan were made to the united organizations—united in the Dominion Veterans' Alliance—that it would get over any difficulty in that respect.

Q. The change of policy was, then, for a deliberate purpose? You had a deliberate purpose in view in your change of policy?—A. Quite so.

Q. A deliberate purpose which was of importance to you?—A. Yes, and this, remember, was between three and four months after the first \$5,000 had been loaned.

Q. Then I come back to what I said a moment ago—when did you discover that, by the means that have been enumerated—the endorsement of the cheques in this way—your policy had been defeated, and the money had in point of fact got into the G.W.V.A.? The whole situation was irregular, was it not?—A. No; no; the Dominion Veterans' Alliance had the right to make any allocation of that money it so chose, and if it chose to utilize the G.W.V.A. as its means of maintaining the Adjustment Bureau for which this money was advanced, it was at perfect liberty to do so.

Q. Then what you say is that if the Dominion Veterans' Alliance at that point had appeared on the scene and authorized Mr. MacNeil to endorse the cheques and turn them over to the G.W.V.A., that would have been absolutely in order?—A. Absolutely.

Q. But in point of fact they did not do anything of the sort?—A. Well, I have since been informed, but I was not aware of it.

Q. As a matter of fact we have a letter here which we put on file to-day, from the Chairman of the Dominion Veterans' Alliance, in which he takes very strong exception to what was done; again I put the question to you, is the situation now resulting most irregular under the Order in Council policy that you decided upon?—A. Not as between myself and the Dominion Veterans' Alliance.

Q. But as between you and the G.W.V.A.?—A. So far as the final \$10,000 is concerned I had no dealings with the G.W.V.A.; I dealt with the Secretary of the Dominion Veterans' Alliance.

Q. But you said a moment ago that you gave a cheque to the Dominion Veterans, and you said if the Dominion Veterans could do what they liked, if at that time they had turned it over to the G.W.V.A. that would have been all right; but I tell you as a point of fact that they did not take that view at all; they object to what was done; in view of the fact that they do object, is it not a fact that the G.W.V.A., in spite of your consultation with the Minister, and in spite of your careful drafting of the Order in Council, that the G.W.V.A. have actually got it, and got it against the wishes of the Dominion Veterans' Alliance? I say, is not that an irregular situation?—A. It would appear to be so as between the Dominion Veterans' Alliance and the G.W.V.A.

By the Chairman:

Q. You told us a little while ago that when the cheque was issued payable to the order of the Dominion Alliance Mr. MacNeil came to you and asked you to take back that cheque and issue a cheque to him or to the G.W.V.A.?—A. That is so.

Q. To which you demurred—you refused?—A. Yes.

Q. Then he kept the cheques, and dealt with them in the way we know; when those cheques came back to you endorsed by Mr. MacNeil as Secretary, were you not a little bit put out or a little bit surprised or annoyed?—A. As a matter of fact, sir, the cheques did not come back to me; you will notice that these are Savings Bank cheques.

Q. They came back to you sometime, because you bring them here?—A. They came back after the inquiry was made, I think by Senator Griesbach. I sent to the bank and asked them if they would be good enough to let me have the cheques. Up to that time I had not seen how the cheques were endorsed. I presumed they were endorsed correctly, otherwise the bank would not have paid them.

Q. Is that the first intimation you had that the money paid by cheque to the Alliance had actually gone into the hands of the Association?—A. It was the first definite information that I had that the money had been so applied, although I had every reason to believe that that is the way in which it had been done, as the G.W.V.A. represented the Dominion Veterans' Alliance.

By Hon. Mr. Griesbach:

Q. What do you think of it now, that you know the whole circumstances?—A. I think, sir, it is a matter between the Dominion Veterans' Alliance and the G.W.V.A.

Q. Do you think the G.W.V.A. had the right to apply that money to itself?—A. Not without the consent of the Dominion Veterans' Alliance.

Q. Even in the face of the Order in Council?—A. I say, not without the consent of the Dominion Veterans' Alliance.

Q. Then what you say is, as far as you think now, that that money was not properly applied?—A. That I cannot say. In view of the statement of the Chairman of the Dominion Veterans' Alliance referred to by Senator Griesbach, it would appear to be the view of the Chairman that it was not properly applied.

Q. And it was not applied according to your wishes?—A. Well, that I can hardly say.

Q. After your consultation with the Minister?—A. Apparently not.

Q. And if you had known that, you would not have had it applied in the way it was?—A. No.

Q. Having regard to the nature of the trust that has been just gone over here, what opinion have you to express as to the making of this loan at all? Does it square with the nature of the trust?—A. I think it does. I cannot see in any respect why it would not, if this money was to be applied for the benefit of ex-service men generally.

Q. But the trust does not say so; I have examined it very carefully, and in my recollection of the various paragraphs it refers to disabled men and pensioners, and indigent people, and a variety of different sorts of people, and the education and training of those who are unable to follow their previous vocations, or those incapacitated, and there is a general clause?—A. Under that general clause I do not think there could be any question.

Q. Then under that general clause you would say that the money could be used for any purpose for ex-service men?—A. I should say so.

Q. Notwithstanding the fact that it is known as the Disablement Fund, and notwithstanding that, you pin your whole faith to that general clause; I will read it:—

Generally to take such steps as may be deemed necessary or desirable to carry out the duty of the Canadian people to the men who suffered in defence of our national liberty.

—A. Yes.

Q. Then, going a little further here, the impression I formed was that while there was a general clause there, it was not particular enough. (Reading clauses of trust). Those are the clauses which define the trust; I am bound to say that the only clause that could possibly justify a loan of this nature under the circumstances is this general clause (Reading clause just quoted), you think that under that clause his loan was quite in order?—A. I think so, sir.

Q. And you think that under this clause a loan could be made to any body of soldiers, any ex-service organization, for any purpose?—A. Practically so, yes.

Q. That is, you are of the opinion, therefore, that all those clauses are of no value at all?—A. Not at all, sir; not at all; those clauses set out the general purposes for which the fund is being used.

Q. And they are all subsidiary to this one clause?—A. No; that is a general omnibus clause.

Q. Which destroys all the rest?—A. Not by any means. It is like an omnibus clause in a power of attorney.

Q. That is a matter of opinion for the Committee to decide; now just one or two other questions on several matters I have noted here to ask?

The CHAIRMAN: Before you go on to that; Mr. Scammell, is it not a rule, observed in all the courts, that an omnibus clause, or a clause of that kind, cannot enlarge the powers previously granted? I mean, if the power to which Senator Griesbach has referred is not the subject of one or more previous paragraphs, this last general paragraph adds absolutely nothing to the powers previously granted.

The WITNESS: I am afraid you have me there, sir.

The CHAIRMAN: I do not think there is any doubt about that; any court called upon to construe a general clause of that sort would not hold that the general clause added anything to the previous statement.

By the Chairman:

Q. Have you at any time inquired of the Association as to the specific use that was made, in one instance or another, in regard to these advances?—A. You will notice, sir, that my last letter asked that I receive an itemized statement when the money had been expended. Now, the fact that I have received no such statement was an indication to me that the whole of the money had not been expended. However, I recently wrote Mr. MacNeil and asked him for an itemized statement in accordance with the two letters I had addressed to him.

Q. Have you a reply to that?—A. No, sir.

Q. Are you going to insist upon getting a statement?—A. I believe that the audit that this Committee is putting through may obtain that information.

Q. Would you instruct your officers to see that those details, that itemized statement showing the specific course of the money, is made for the Committee?—A. I can only ask Mr. MacNeil.

Hon. Mr. GRIESBACH: I think Mr. Scammell is right about that. In the direction to the auditor he is required to produce the statement showing the uses to which this money was put.

The CHAIRMAN: Mr. Scammell, you might instruct your own officers to see that the itemized statement asked for is furnished, so that it can be served before this Committee.

Hon. Mr. GRIESBACH: I just want to ask some questions in a general way.

The WITNESS: Before you do that may I just refer you to the last page of that letter of mine to Mr. Carruthers, of the 8th of June, 1923, from which you quoted? I said at the end:—

What will be the final disposition of the moneys invested I cannot at present forecast, but in view of the fact that the activities of the Fund are now greater than at any previous time, and that in the near future a portion of the capital will be required for loan purposes, it would appear that consideration of the final disposition might well be deferred.—and to this he agreed.

By Hon. Mr. Griesbach:

Q. I have a note here of something that I think should be put at rest; the statement is made—it is a matter of rumor—that considerable sums of money have been loaned from this fund to persons here in Ottawa, not necessarily disabled men at all, but, for instance, sufficient money to build a house with; what do you say to that?—A. That is a story out of the whole cloth, sir.

Q. Nothing in that?—A. Absolutely nothing at all.

Q. Then there is a story that a loan from the fund has been made to officers living here, of a substantial sum of money?—A. There is absolutely no truth whatever in any such statement.

Q. No such loans have been made?—A. No such loans have ever been requested.

Q. Another rumor is that loans had been made to persons other than ex-service men—men who were not members of the forces at all?—A. It may be. There is a little truth in that. There has been an occasional loan. I will just give you, as an illustration, such a case. We have in our employ a young

woman, whose husband, a returned soldier, has deserted her and gone off with another woman. She has applied to the Senate for a divorce. I have advanced her, out of the Disablement Fund, the necessary expenses for putting that through. Now, there has been an odd case like that, and I consider a loan in such a case fully justified.

Q. Outside of that, the loans have been confined to this class of persons mentioned here, have they?—A. They have.

Q. In all cases?—A. They have.

Q. And this loan of \$15,000 to the Dominion Veterans Alliance is the only considerable loan made not in accordance with the general policy?—A. The only one, except the first \$5,000.

Q. So that this \$20,000 is the first and the only departure from the general policy set out in the trust?—A. Absolutely.

Q. And I take it that you are able to say that, for the reason that you have a fairly wholesome respect for all the clauses except that omnibus clause; the omnibus clause you do not like, I hope?—A. Well, I wrote it myself.

By the Chairman:

Q. Have you anything you would like to say to the Committee, Mr. Scammell?—A. I don't know whether you have received the statement I put in showing the present status of the Disablement Fund.

By Hon. Mr. Griesbach:

Q. Is that in your return?—A. I don't know whether I made that a return in the Senate, or not?

Q. The return is brought down to the 31st March, 1925, and the last balance is \$145,257.59?—A. Yes.

Q. To whom do you look for a return of this \$15,000—to the Dominion Veterans Alliance or to the G.W.V.A.?—A. I rather look for some action on the part of the Government, sir, or on the part of Parliament.

Q. You are not hopeful of getting it back from the Dominion Veterans' Alliance?—A. I am afraid I am not over-sanguine.

Q. And equally so in the case of the G.W.V.A.?—A. That stands in the same position.

By the Chairman:

Q. At the time it was made was it distinctly stated that it was merely a loan?—A. It was stated that it was a loan, to be repaid out of any money voted to or granted to the Alliance.

Q. In the past or in the future?—A. In the future.

Q. Have there been any moneys granted to the Alliance since?—A. None.

Q. Are you making any provision for any grant to them?—A. Not out of any Parliamentary appropriation.

By Hon. Mr. Griesbach:

Q. Are you familiar with the organization in Edmonton called the Disabled Veterans?—A. Very little. I only know there is such an organization.

Q. Colonel Parkinson would know more about that?—A. I think so.

Q. And also the Disabled Men's Association of Vancouver?—A. I have heard of the existence of that.

Q. Perhaps before you come back again you might call on Major Parkinson and examine the files as to the work done by those associations, and the committees formed to assist in the case of the Edmonton one, which closed down with only six men unemployed; I would like you to think over, meantime, some assistance for that class of individual, which to my mind falls within the meaning of the trust?—A. I am very anxious not to dissipate this fund. I might say

that last year the advances made, including the \$10,000 to the Dominion Veterans' Alliance, amounted to \$117,000. By the return you have there you will find that the fund is mostly invested, but the interest on the fund is turned over and over again, and takes care of bad debts also, of which there are quite an appreciable number. It also takes care of donations which are made, which have amounted, since the fund commenced its operations, to some \$9,000 odd.

By the Chairman:

Q. Are you still making gifts of that kind?—A. They are usually in small amounts, but sometimes a donation of \$50, \$100, or even \$150 has been made where the circumstances have been very exceptional, from the Disablement Fund.

Q. You are not getting any more contributions?—A. I am not getting any more contributions, but I am taking care of these expenditures from the interest which comes from the money invested. Now, if I were to dissipate the fund, that is, to expend the capital, it would mean that the fund would gradually disappear, because the outgo in the form of bad debts and donations would not be taken care of by incoming interest.

By Hon. Mr. Griesbach:

Q. And the return of loans made?—A. Well, the return of loans is being made all the time.

Q. In Edmonton we found employment for 428 men in four months' work, leaving only six men unemployed, and that is the class of men that we want to assist?—A. I think that is clearly a work which should be paid for out of the public purse, and not out of a voluntary fund.

Q. This was a voluntary movement all the way through?—A. I mean the expenses in connection with it.

Q. If you consult Mr. Parkinson he will tell you all about it, and how it was done, and we succeeded in getting a great deal of assistance from the public, and accomplished very substantial results at a very low expense, and I am anxious to see the movement spread all over Canada, for I think it is a good thing?—A. I think I might explain, before I go, the modus operandi of this fund. We have throughout Canada 8 units, and one unit in England. The chief officer of the Department in a unit is furnished with a sum of money out of this fund, which he deposits in the local Bank of Montreal. He is allowed to make loans up to \$25.

By the Chairman:

Q. Under your direction—A. On his own authority, he is allowed to make a loan up to \$25. He is allowed to make a grant, in case of need, up to \$5. If he wishes to make a loan beyond \$25, or a grant beyond \$5, he refers the case to me, and I either authorize it or refuse it. The head office fund is operated by me entirely, and I receive a very large number of applications every week for assistance from this fund, only a portion of which am I able to meet, sometimes because I do not consider it is in the interest of the man that his demand should be met, and at other times because the case does not seem to me to warrant it. That, generally speaking, is the modus operandi of the fund.

Q. What is the amount of the fund today?—A. The amount invested is about \$80,000, and the loans outstanding at head office, apart from the G.W.V.A. loan, are in the neighborhood of \$20,000, and there is about \$10,000 in the hands of the units. I receive a monthly return from each unit showing the position of the fund. I do not receive a return of the loans that are outstanding for the current month; I am not interested in that; I only want the amount and the number. When loans are two months old there must be some explanation as to why they are outstanding, so that I keep in touch with the situation all over the country.

Q. Are those cases that we have been dealing with, covered by those five cheques, the only ones of the kind, or did you before that make advances to the Association or the Alliance of the same nature?—A. No sir, those are the only cases.

Q. Either before or since?—A. Those are the only cases.

Mr. MACNEIL: There was one case before that of the five cheques.

The WITNESS: Yes, the \$5,000 is the only one.

By the Chairman:

Q. Have you had a statement from the Association as to the specific use made of that advance of \$5,000?—A. No, I have not required that; I was reimbursed by an appropriation passed by the House of Commons.

Q. Do you not claim to exercise some sort of jurisdiction or oversight over the expenditures by every one of those associations, of those moneys—those quasi public or Government moneys, as they might be called?—A. Well, in the case of the first \$5,000, that was advanced in 1923; it was a loan simply anticipating a Government grant, and there was no intention of asking for the return as to how that Government grant was expended.

C. GRANT MACNEIL, recalled, testified as follows:—

By Hon. Mr. Griesbach:

Q. Do you mind going on without Mr. Shaw?—A. No, I do not mind.

Q. I have before me the statement you submitted the other day on the poppy question; I understand poppies are manufactured by the Department of Soldiers' Civil Re-establishment?—A. For the 1923 and 1924 campaign they were.

Q. Manufactured by the Vetcraft shops in Toronto?—A. Yes, sir.

Q. What was your modus operandi in dealing with those poppy-day campaigns?—A. After consultation, our provincial command prepared an estimate of the probable demands of the campaign, and ordered goods as one ordinarily does with any commercial firm. We ordered from the Department at the prices stipulated in the agreement with the Department, a certain quantity of poppies, all grades and rates, and contracted to pay for the poppies at the prices. There was simply a purchase-and-sale proposition.

Q. Then, having received estimates from local organizations, you gave an order to the poppy people, and they made them and sent them out to the addresses given; is that the way?—A. Well, the procedure varies in different provinces. We undertook responsibility for the distribution. We undertook to pay for the poppies, so much.

Q. Or to return those unsold?—A. No provision made for returns.

Q. Then you put an order in to the shops in Toronto, and they dispatched them to the addresses given; is that the idea?—A. I think it would be helpful if I read letter directed to the Department on the 1924 campaign, which sets out very briefly and clearly the arrangement.

Q. All right?—A. This is addressed to Major Melville, Supervisor of Vetcraft Shops, Department of Soldiers' Civil Re-establishment, Ottawa, and a copy of his reply to you dated January 30, 1924.

(Documents read and fyled as Exhibits 4 and 5).

By Hon. Mr. Griesbach:

Q. The poppies were just sent out to your subordinate organizations?—A. May I read the instructions?—It gives the whole procedure.

Q. Never mind that now; you sent them out to your subordinate organizations; did you charge them the same price you were buying them at, or a higher price?—A. We quoted a price; we estimated the requirements of the campaign,

the possible costs of administration and distribution to be charged to the G.W.V.A., and we also estimated the losses that sometimes occur on adjustments and shortages on returns which we are compelled to accept, although we might not be able, under the terms of the agreement, to persuade the Department to accept; and we advanced the price as little as possible. We informed the Department; as a matter of fact these deliveries were usually made in consultation with the Department, that they may be assured that the conditions of the campaign are fair.

Q. What is the advance in price, take small poppies in 1924, which are put here at \$15 a thousand?—A. Our price to the provincial Command was \$20 a thousand.

Q. You deal in all cases with your Provincial Command?—A. Yes sir, except in the province of Quebec, and isolated instances such as the city of Ottawa, because it is necessary to establish provincial depots for distribution.

Q. Did the Provincial Command turn them out at the same price, or did they add something?—A. We have no jurisdiction.

Q. Then the figures shown in this statement (Exhibit 1) are the figures resulting from your transactions with your own provincial Command?—A. Or those units with which we did business directly.

Q. You have a synopsis of the three years, 1922, 1923 and 1924, and I notice that the total sales for the three years was \$105,679.56; the total cost was \$80,366.66; the gross profit, \$25,313.20, and the administration expenses were \$15,850.48, the net profit being \$9,462.72. The point of interest there is the relation which the administration expenses bear to the gross profit, which is roughly \$25,000, and the administration expenses \$15,000; how do you account for such a large amount for administration expenses with a transaction of this size?—A. You will find it by the per cent of profit on the turnover in a business of that character; it is not an exorbitant or exaggerated estimate.

Q. You think that would be the ordinary commercial basis?—A. For business of that nature.

By the Chairman:

Q. If you go back to the supplementary statement, Poppy Campaign, 1922-23-24, I see at the bottom that your estimated administration cost is merely 15 per cent?—A. Yes sir.

Q. The other statement, from which General Griesbach read, shows a far larger amount than 15 per cent; it shows about 75 per cent?—A. That is a summary.

Q. In your statement of Poppy Campaign 1922-23-24, at the bottom you give, "Administration costs, estimated at 15 per cent on sales, \$5,207.54"; then in the further statement—

Hon. Mr. ROSS (Moose Jaw): You are figuring on the profit; what was the total business done?

Hon. Mr. GRIESBACH: Your inquiry is, the percentage of increase of price does not gibe with the administration cost.

By the Chairman:

Q. The administration costs are estimated at 15 per cent; now, when you see what it actually was you find it was not 15 per cent, but a much larger amount; can you explain that? 15 per cent would make about \$5,000, but when we look at the actual figures they are almost double?—A. The summary is a total of those sums carried forward from the statement of each campaign. The item of administration expense, as shown on the summary of 1922, is 15 per cent, and on the 1923 campaign for instance.

Hon. Mr. ROBINSON: That 15 per cent is only on the \$34,000, but the actual turnover in three years is \$105,000.

The CHAIRMAN: I want an answer to my question.

Hon. Mr. GRIESBACH: I take it that this is also in the reference to the auditors, and I think on the question of figures, when we come to the books it will be explained by the auditor.

The WITNESS: At the top of the summary you will find the figures carried forward—15 per cent of the sales in 1922, \$5,207.54; 15 per cent of sales in 1923, \$4,643.35; 15 per cent of sales, 1924, \$5,834.64, making a total of \$15,685.43. As against that, take the figures of net profit.

By the Chairman:

Q. In other words, the page from which I was reading only covered 1922?—
A. Just the one year. I would ask permission to read this letter, because in 1922 the poppies were bought from a commercial firm, which was quite a different proposition when we started to purchase our poppies from the D.S.C.R.; and you notice in the summary, in each year, from the experience of the previous year's campaign, we have scaled down just a margin; and the whole policy in this regard is set forth in this circular of instructions, which I think we should place on record; it is just two pages.

Hon. Mr. GRIESBACH: Turn it in, and we will read it at our leisure.
(Exhibit 6, Circular of instructions to Provincial Commands).

By Hon. Mr. Griesbach:

Q. This letter I have before me, which you wrote to J. L. Melville (Exhibit 4) is a pretty stiff letter on the side of asking for a monopoly, is it not?—
A. Unless we got such a monopoly we simply could not touch the business.

Q. In addition to selling poppies to your Provincial Commands and other units, you also sold poppies to other organizations of ex-service men?—
A. While we monopolized the distribution—rather, we asked that competition be arranged; that there be no competition permitted except by mutual agreement in their territory which we were competent to cover, as far as community arrangements were concerned as a matter of fact we encouraged general co-operation between the organizations. We lay the poppies down in a community; from that stage on we say there should be general co-operation; consequently poppies were sold, as for instance in the city of Montreal, to joint councils of veterans' organizations, or perhaps committees that were representative of the public as well as veterans' organizations.

Q. My point is that organizations other than the G. W. V. A. bought poppies from you under this arrangement?—
A. Yes, sir. We merely asked the monopoly, as you call it, in order that we might be able to calculate or estimate the distribution requirements, which would be impossible with competition.

Q. But I want to get at this—that you did, under this arrangement, sell poppies to organizations other than your own organizations; you said you did?—
A. In community organizations.

Q. In some cases you would sell direct to an organization; in other cities they would arrange a general poppy day, and all the veteran organizations would come together in a central committee and purchase the poppies from you?—
A. Yes.

Q. Did you at any time seek to convey the impression to the minds of the people at large that you had a monopoly?—
A. No, sir.

Q. Did such an impression exist—that you had the sole right to re-sell these poppies for the Department of Civil Re-establishment?—
A. The only knowledge

I had of such an impression was the discussion that took place at the Dominion meeting of the Alliance, and we proceeded to explain the arrangements, and no further objection was taken.

Q. Is that the arrangement I have here, where the report says it was reported in the Council by special delegates that a complaint had been received with regard to the monopoly claimed by the G.W.V.A. of the distribution of Vetcraft poppies on Armistice Day? Arrangements for the Poppy Day campaign conducted by the G.W.V.A. were fully explained by Comrade MacNeil. I draw your attention to these words:—Statistics were tabled in proof of the assertion that no profit was derived therefrom by the Dominion Command of the G.W.V.A., as the major portion of funds raised in this manner were left in the community for relief purposes, and any surplus transferred from the campaign fund to the credit of the G.W.V.A. did not exceed the amount required for reimbursement of administration expenses. Now, in view of your statement here showing a profit from these poppies of \$9,462.72, and administration expenses of \$15,000—the profit being over and above—what have you to say in regard to that statement?—A. The statement was quite correct at the time it was made, for at that time we were tied up very heavily with surplus stock from previous year's campaign. We also had to take into consideration the operations of 1921, in which the poppies were sold by a lady from France in behalf of the orphans of France. We organized the campaign at our own expense, and received no sum whatever, as our books will show, in that respect.

Q. This statement was made in November, 1923?—A. Well, up to that time there was a loss, actually, in the operation.

Q. The net profits for 1922 are \$6,006.93, and for 1923, \$1,926.33?—A. As against that we would charge—this statement has been prepared recently, and surplus stocks were clear in the 1923 campaign. At that time we were carrying large surplus stocks, and we should properly charge to the campaign administration the costs of the 1921 campaign.

Q. But, notwithstanding that, your statement for 1923 shows a profit of \$6,000, and the following year \$1,926.33?—A. As prepared now, having disposed of surplus stock from that campaign.

Q. This statement is not a statement of affairs that existed then?—A. This statement was prepared in accordance with the request of this Committee.

Q. What value would this statement be if it was a statement of things as they were? How could this be a statement for 1923? It is not a statement for 1923, then?—A. Yes.

Q. Then, if it is a statement for 1923, there is a profit; you cannot go outside of this statement with an explanation of that sort; here is a profit of \$1,926.33?—A. Having disposed of stocks purchased for that campaign, it would show the sale.

Q. Do you mean to say you kept your stocks separately?—A. Usually have to, because they are stored at different points across the country, and they are different grades of material. That statement, generally speaking, was correct at that time, for at that time—it was made in November, 1923—we had no accounting for the 1923 campaign.

Q. Did you explain to those people that you had this situation to develop—that you had stock still for sale, not sold? Was that explained?—A. I explained the financial risks we assumed in that regard. I do not think I gave any date in that respect. I think I could only speak in regard to the 1921 campaign, which was a total loss as far as we were concerned, and in the 1922 campaign, where we purchased poppies not from the D.S.C.R. but from the Joseph & Edgewood Mfg. Co. of Toronto; and in 1923 I remember very distinctly we were under great worry as to whether or not we could emerge from the campaign without a dead loss, for many of our branches appeared to be

about to turn back on us returns which we could not pass on to the Department.

Q. But, as it has turned out, there was a profit with respect to that campaign of \$1,926?—A. Quite so.

Q. So, as it has turned out, there was a profit?—A. A profit of 6.1 per cent.

Q. You could not express any opinion as to why those people, the Army and Navy Veterans, complained to you that they had been buying poppies from you?—A. We offered every opportunity for adjustment of that matter at this Council meeting, and said if they would share with us the responsibilities and the risks of the campaign we would be very glad to co-operate with regard to general distribution; but that would be required—that they should share these responsibilities and risks.

Q. Winnipeg is the only place where they sold poppies under the organization of a general veterans' committee, was it not?—A. In some campaigns; I cannot say I can speak in regard to them all.

Q. In 1923 and 1924 I understand they formed a general veterans' committee?—A. Yes, sir.

Q. You sold them the poppies, and you added—A. A fraction of a cent per poppy.

Q. You bought at \$15 a thousand and you resold your Dominion Command in Winnipeg at what?—A. Provincial Command at \$20 a thousand.

Q. Do you happen to know what your Dominion Command resold the poppies at to this committee of all organizations in Winnipeg?—A. I don't know.

Q. I am going to read to you a declaration that I have here, and ask you to express an opinion on it, and I will also read the resolution. (Reading):—

(Declaration by William John Meacham and others, Winnipeg; and copy of resolution filed as Exhibit No. 7.)

Q. Here you have a case, apparently, where you bought poppies at \$15 a thousand and charged your Provincial Command for the same poppies at \$20 a thousand, and your Provincial Command resold them in one year at \$40 a thousand, and in another year at \$50 a thousand; and, running through that declaration, is the central idea that they put up with that because the G.W.V.A. had an exclusive franchise; I ask you again if you are aware of any attempt on the part of your organization to convey the idea that your organization has an exclusive franchise?—A. I cannot give evidence on that matter. In my letter which I filed with the Committee the instructions conveyed to those branches made it very clear. It was pointed out that there are three purposes in organizing the campaign; first of all, the development of sentiment that we feel should prevail on Armistice Day, and our desire to encourage people to wear the poppy as a flower of remembrance on that day; secondly, to assist the employment of disabled men by marketing the product, as far as we are able, of the Vetcraft shops; and we feel that with the facilities in the G.W.V.A. we have facilities superior to those controlled by any other organization for this purpose, as we cover every centre of consequence in the Dominion; and the third reason is that we might assist, by central organization, the local units to raise funds for relief purposes during the year. That letter very clearly states that our policy is that the largest portion of the funds shall remain in the community; and our estimate is that a quarter of a million dollars stays in the communities for local purposes, and we simply take out the invoice price of the poppies in our campaign, and in each campaign we usually sit down with the officials of the Department and estimate, as any business concern would have to estimate in a case of that kind, the requirements of the campaign; and we did endeavour to estimate that there shall be \$1,500 or \$2,000 to come and go on, because no one can foresee the exigencies of such a campaign. Then, having such a campaign, after it is over, after three or four campaigns, that is transferred to the activities of the association, and is continued in aid of ex-service men. Now as

regards the monopoly, I think the fact has evidenced itself that it is to the advantage of the Vetcraft shops that an extended distribution of this product should be carried through an organization such as ours, because they are dealing with one central authority. As to financial arrangements; to duplicate an organization that carries this profit—and as a matter of fact it takes a great amount of propaganda to market it successfully—would cost the Department more than is figured there as administration cost. That contract takes no cognizance whatever of those ordinary business requirements that any firm would have to lay down in carrying out a project of this nature. We are at all times prepared, and I think we have been quite open with the officials of the Department in regard to our arrangement, because our prices quoted to the Provincial Commands are made known to the officers in charge of the Vetcraft shops, and we are constantly discussing arrangements in regard to the various communities, with the sole object of co-operating with the Department to extend this sale and market it as provided.

Q. Did you know your Provincial Command was reselling at further profit?—A. I have no control over that and have no direct information on it. I would imagine they would have to, as they would require to establish a depot, and would require a staff for packing and reshipping, in some instances, and quite a deal of clerical work was involved, so that you have to provide for this expense.

Q. But in the Winnipeg campaign the shipment was made direct from Toronto to this Committee?—A. But that Committee would have to place the poppies in all small towns and districts of Manitoba.

Q. That was done, I think, by the Committee, because the fact that poppies could be bought at \$15 came out in rather an extraordinary way; in unpacking, an invoice was found in one of the boxes?—A. I cannot give evidence as to that. We have found this by experience—and the experience of each campaign is having its influence on those organizations—that if they boost that price to an exorbitant amount they are only checking the sales. At the present moment we are discussing with our Provincial Command the policy of entering into the same terms as the Dominion Command—that they merely make a safe margin for administration, and allow the bulk of the fund to remain in the community.

Q. You speak of sales, but as a matter of fact the poppies are not sold on the streets; there is no fixed price; the people give what they feel like putting in the box on Tag Day; any addition there may be to the price, such as you suggest of \$5 a thousand here, and any further addition made by your Command in Winnipeg, do not increase the price of the poppies to the ultimate consumer; it only eats into the profit of the poppy-day committee, and in this case the net result is that you have a profit of \$5 per thousand, but your Winnipeg branch organization has a profit in one case of \$20 and in another case of \$30 per thousand; surely that is not a fair deal to other organizations formed, like yourselves, for the advancement of the common interests of soldiers; you do not defend that, do you?—A. Well, I know nothing whatever of those arrangements. I have no control. I am not competent to give evidence on the point.

Q. But, now that you have heard it, assuming that is true, is that a fair deal to the people at Winnipeg?—A. It entirely depends on the situation, the requirements of the campaign.

Q. On this question of monopoly for the sale of poppies, have you in point of fact written to an officer of the Department asking for a monopoly to your organization in the sale of poppies?—A. I have no recollection of such letter, except that which I have read.

The CHAIRMAN: But that is part of the offer; that is one of the conditions.

By Hon. Mr. Griesbach:

Q. There is no letter outside of this?—A. That embodies everything, I think.

Q. I am speaking of a letter written to Major Flexman asking for the exclusive right to sell?—A. That must be with regard to previous years.

Mr. PARKINSON: I have no knowledge of such a letter.

By Hon. Mr. Griesbach:

Q. Then the exclusive rights pertain only to that campaign?—A. Yes, that is 1924 (Referring to Exhibit 4).

By the Chairman:

Q. What is the actual price at which you sold to your Provincial Command in Manitoba?—A. \$20, the small poppies.

Q. At what price did the Command sell to the units?—A. That is entirely in their own control.

Q. But you may know?—A. No sir; every province had its own arrangement.

Q. Do you not know, as a matter of fact, what was the price between the Provincial Command and the units?—A. No, sir, I don't know. I could, by consulting our files, perhaps secure that information, but I have no recollection.

Q. Did you apply the profit realized from the sale of poppies to any special object or any special purpose?—A. The profit for 1924, \$1,529, was merely transferred to our general account for the Adjustment Service.

Q. It was not applied to any specific purpose?—A. No, sir.

By Hon. Mr. Pardee:

Q. How are those administration expenses made up, for instance, 1922, \$5,000 odd?—A. Through March and April each year a certain amount of time of the Staff of the Dominion Command office must necessarily be devoted to this work. There is an enormous amount of correspondence and telegrams towards the end of the campaign, the handling of the orders and invoices involves a great deal of clerical work.

By the Chairman:

Q. Is not the shipping done by that Vetreft Association?—A. There are re-shipments, sometimes, but I cannot speak of that.

Q. For instance, take this unit you have been speaking of in Winnipeg; they got their consignment direct from the shop, did they not?—A. In some instances the shipping and packing charges were charged to us.

By Hon. Mr. Pardee:

Q. Have you a staff that you keep constantly employed?—A. Yes, sir.

Q. Would not that staff do this work in the ordinary course of their employment, such as your correspondence, and that sort of thing?—A. As a matter of business administration you must charge to each enterprise, in the matter of cost accounting, charge to each project carried out a fair proportion for the time.

Q. Then you pay those people so much per year or month, and on top of that, in any special enterprise that comes along, you charge up so much against the office for that, do you? You pay your staff so much per month?—A. Yes.

Q. Then your poppy day comes along, and you charge \$5,000 for administration expenses?—A. If the staff is employed.

Q. But you have the staff employed?—A. If we have to take the staff from any other work, and take the staff for this particular enterprise, we know the cost of the time involved in this poppy work.

Q. If they were not doing that, what would they be doing?—A. Other organization activities. We would be relieved of the cost of this campaign, and could possibly reduce the staff but for this work.

Q. So that you just allocate to your staff what you think is the proper allocation of the amount of moneys expended amongst the staff for this particular work?—A. We know the time spent on this work. We know what we must pay for that time, and we charge accordingly, as a matter of book-keeping.

Q. Is the general work of the office carried on on the side during this time?—A. The men on our staff have a variety of duties; they do not specialize in particular work.

Q. But your general work is carried on while the poppy campaign is going on?—A. The only other work is the adjustment work; that is, the handling of claims for ex-service men, and general legislative work. There is also the cost of telegrams, expressage, etc., that is properly chargeable to that, also a certain amount of publicity that we must enter into.

By the Chairman:

Q. Where will we find, in your books, the items composing this large amount of \$5,000?—A. Under various headings.

Q. Of salaries, for instance?—A. It is estimated at 15 per cent.

Q. I am not talking about that; you say that in order to arrive at those figures you have kept track of the time your staff was employed on this particular work, and the other expenses made in regard to this particular thing—the poppy work is what I have in mind at the moment; now, where in your books shall we get, for instance, the appropriation of salary for this particular job?—A. It does not appear in our books. We estimate the time.

Q. When did you make the estimate?—A. After it is done.

Q. But that is a mere guess?—A. It is an estimate.

Q. It is a mere guess?—A. Something better than a guess, because we have very definite knowledge.

Q. But if you have not kept track of the time that your staff has been employed on this particular job how can you do anything more than a mere guess when you are making up these final figures?

Hon. Mr. GRIESBACH: I think that is where the percentage on the amount handled comes in. He adds a percentage for management.

The CHAIRMAN: That is what I say; it is a mere guess, it is not the result of keeping track of the different items.

The WITNESS: Taking the various items, we can very readily find by examining our books.

By the Chairman:

Q. Do not argue with me?—A. I am not attempting to argue.

Q. You have charges for telegrams and telephones and things of that kind?—A. Yes.

Q. Unless you keep track of those things daily, how can you put a lump sum at any given time of the year? It is only by keeping track of those things daily that you could give the total?—A. We do keep sufficient track, though not in every detail. We do keep a sufficient record of the time the staff has spent, in order to arrive at a fairly accurate estimate; that is, the stenographers are in line distribution; we can tell at any time.

Q. Are notes kept from day to day of what you pay for telegrams and telephones and postage, and so on, on this particular job?—A. Not in regard to postage, but for telegrams.

Q. Then am I not right in saying that it is pure guess?—A. Not pure guess, sir.

By Hon. Mr. Griesbach:

Q. You remember my asking you in connection with that \$50 item for propaganda, and your reply was that it was paid out, \$20 here and \$10 there, and so on as you required articles; in the statement brought down I asked you specifically if payment for articles was not made to a particular person month after month, and your answer was that odd amounts were paid out to different persons and applied to propaganda; according to the statement put in by Mr. Gallagher it would appear that this amount was paid out to a specific person, Mr. March, and it was paid in stated amounts of \$60 a month for the earlier period, and \$80 a month for the later; it appears that this statement varies from what you said in answer to that question?—A. I remember, sir, that I asserted at that time that I was unable to give any accurate answer without reference to the ledger accounts to find out how that amount was made up. It appeared under a different heading. I qualified my statement by saying that I was speaking from memory. We did pay various amounts to different individuals for services of this nature, but my remarks did not definitely relate to that particular item and that particular statement.

Q. I find it difficult to follow that; surely the employment of Mr. March, a newspaperman, at \$60 a month and \$80 a month was a transaction you could not very well forget; he was giving you certain services of a publicity nature?—A. I had not forgotten it, but I was not sure just what that item appearing on that statement in 1921 represented.

Q. But it happens to be the exact amount that he was getting?—A. I can now give direct evidence on that matter. I know now what that item means on that statement.

Q. You did not understand the situation when I asked you before?—A. I was not prepared to give definite evidence without convincing myself by reference to the ledger, that the amount was made up in that way, because I had a very hazy recollection of how that statement was prepared.

Q. You can tell us now what Mr. March did for \$60 a month?—A. Mr. March was employed to prepare special articles for publication in the *Veteran*.

Q. Was he at that time an employee of the Canadian Press?—A. He may have been, yes.

Q. Did he send these out on the Canadian Press?—A. No, sir; it had nothing whatever to do with his Canadian Press service.

Q. Not at all?—A. Nothing whatever. On consulting our files of the *Veteran* since the inquiry was made we find that he wrote approximately 3,000 or 4,000 words for each issue of the *Veteran*, per week, and we had this arrangement with him, which was decidedly to our advantage, because if we were required to pay the ordinary rates for space we would have to pay a sum vastly greater.

Q. He is not the present writer?—A. No; the arrangement was discontinued in 1921 or 1922.

Q. While we are on that subject, I have a return of the amounts paid by the Government to the *Veteran*, arranged by departments; I propose to read it and put it in; the combined amounts for the period under question are \$10,451.81; have you any knowledge of that?—A. I had some knowledge, but not in detail. I might explain that the principal items are for advertising space as secured in the *Veteran*, and in regard to which we submitted voucher copies.

Q. You have not the file of the *Veteran*, have you?—A. Yes, sir, for the entire period. Those copies, of course, were filed with the Department.

Committee adjourned at 10.25 p.m. until Monday, June 8, at 10.30 a.m.

MONDAY, JUNE 8, 1925.

Hon. Mr. Belcourt in the Chair.

Major E. FLEXMAN, Director of Administration, Soldiers' Civil Re-establishment, Ottawa, appeared as a witness, and having been duly sworn, testified as follows:—

By Hon. Mr. Griesbach:

Q. Major Flexman, have you any evidence of the price at which the Department sold poppies in 1924, at the demand of the Great War Veterans' Association? We have not any evidence as yet as to the price at which they sold their poppies in 1922 or 1923.—A. The price of the various sorts of poppies—in 1923, we sold small poppies at \$13 per thousand, and the large poppies at \$72.50.

By the Chairman:

Q. The others at \$13?—A. Yes.

By Hon. Mr. Ross:

Q. The larger ones at what?—A. \$72.50 a thousand.

By Hon. Mr. Griesbach:

Q. And the sprays and other things?—A. I have not the prices of the sprays with me, but I do not think they are very much different in price.

Q. Between 1923 and 1924?—A. Between 1923 and 1924.

Q. Do you know anything about the 1922 prices?—A. We did not supply them in 1922.

Mr. SHAW: I might say, at the outset, honourable gentlemen, that apparently, at the last session, the attitude of the Provincial Command of the G.W.V.A. of Manitoba was called into question. Some suggestion was that the prices were improper. I have in my hands a telegram, stating that the Committee was to summon Mr. Spencer. He has complete knowledge of the affairs of the Manitoba Command, and the suggestion is that he could give the Committee valuable evidence in regard to this particular matter which seemed to be the subject of some comment at the last session, so I am making formal application to ask the Committee to subpoena Mr. Spencer, who has been the Chairman of the Finance Committee of the Provincial Command of Manitoba. He knows practically the whole matter of the poppy campaign fund in Manitoba.

The CHAIRMAN: My recollection is that it was not regarding the Provincial Command so much as the Winnipeg Unit, that had overcharged.

Hon. Mr. GRIESBACH: Mr. MacNeil's evidence was that he dealt with the Provincial Command. You would have to have the statutory declaration of five or six men, to say whether it is the Provincial Command or the Manitoba Unit which was referred to.

The CHAIRMAN: Do you remember the exhibit? Just read it over and you will see—"William Meacham, members of the Poppy Committee, City of Winnipeg." (Exhibit 7.)

Hon. Mr. GRIESBACH: The Provincial Command is located in the city of Winnipeg also. "The poppy was purchased from the Provincial Command in the years 1922, 1921, 1924," and so on.

The CHAIRMAN: I am still under the impression that if you are going to get at the bottom of the facts you will have to subpoena one of the gentlemen from Winnipeg.

Hon. Mr. GRIESBACH: That is what Captain Shaw is asking for.

The CHAIRMAN: Captain Shaw is asking for the Provincial Secretary of the Provincial Command. I understand there are two distinct bodies, the Provincial Command, and perhaps one or more units in the province.

Captain SHAW: I understand the Provincial Command purchased direct from the Dominion Command, and the Provincial Command fixed the price for distribution, and I do say that Mr. Spencer would be the proper witness to call. We might really undertake to ascertain whether or not Mr. Spencer can speak with full personal knowledge of the entire transaction, not only with regard to the sale in Winnipeg but regarding the whole matter, and subsequently renew the application.

The CHAIRMAN: The Secretary may do that.

By Captain Shaw:

Q. Do I understand you have some complaint to offer on behalf of the Department of Soldiers' Re-establishment as to this handling—

The CHAIRMAN: He was not asked anything about that. This is not cross-examination.

Captain SHAW: I desire to bring out the facts in connection with it.

The CHAIRMAN: Let us go on with this investigation in the proper way.

Captain SHAW: I do not understand the objection.

The CHAIRMAN: We have no evidence on it yet at all. You are here for the purpose of cross-examination.

Captain SHAW: I understand the witness is called to testify as to the sale of poppies and the distribution of them generally, and I want to ask this gentleman right at the outset if the department has any complaint to make in the matter.

The CHAIRMAN: I think it is irregular, but if the Committee is willing to allow you to go into a subject which has not been touched upon at all, very well. Do I understand there is no objection to Captain Shaw going into that?

Hon. Mr. GRIESBACH: No objection on my part.

By Captain Shaw:

Q. Has the department any complaint to offer with regard to the sale or distribution of poppies?—A. No. So far we have not.

By the Chairman:

Q. What do you mean by "so far we have not"?—A. I mean by "so far" that we have heard of objections, which may make it difficult for us to sell poppies this year, but so long as we are able to sell the poppies, we have no objection.

By Captain Shaw:

Q. As I understand, the poppies are manufactured by your Department and sold to the Great War Veterans Association?—A. Partly by our Department and partly in the Red Cross workshop.

Q. Is it true that the Great War Veterans Association were not prepared to undertake the sale of poppies unless they got a monopoly of them?—A. That is the statement they made, but we pointed out to them in our letter, that, if

there was any difficulty about obtaining the order, we were at liberty absolutely to sell direct.

Q. Before the poppies were sold, did the Great War Veterans Association, or its officers, communicate with you as to the terms of sale, the conditions of sale, etc.?—A. Are you referring to the outset, 1923?

Q. Generally speaking, in the whole of the transaction.—A. In 1923, the question of the price at which they were sold did not come up. In 1924 it did come up, owing to the fact that there might have been difficulty in obtaining orders.

Q. Then, I understand, the officers of the G.W.V.A. did not take you into their confidence and inform you about the price at which they were previously sold?—A. Yes.

Q. Generally, the instructions issued to the Provincial Command, with regard to the sale, were made known to you?—A. Yes.

Q. Do I understand that the officers of the G.W.V.A. have, from time to time, accepted advice, from your view, as to the best method of sale and distribution of these poppies?—A. Yes, they have, at various times.

Q. Do I understand from you that the Department has been fully paid for all the poppies sold?—A. Yes.

Q. That is all.

By the Chairman:

Q. Did you receive from any one of the Commands or units any complaints with regard to this matter of sale and disposal of the poppies at any time?—A. We had a complaint from Toronto, prior to last year's campaign.

Q. What was the nature of the complaint?—A. We saw them in connection with the placing of the order, because it was so long delayed, but it was finally adjusted. The complaint was that the prices they had been charged were too high.

Q. The matter was adjusted?—A. The matter was adjusted between the Provincial and Dominion Command. We told them the price at which we were supplying the poppies and we told them it was a matter between the two of them.

Q. Can you tell us what the difference in prices was?—A. I do not know.

Q. Have you any way of finding out?—A. I think possibly I could.

Q. You might get that for us. Was the complaint pending a long time and was it adjusted?—A. Yes, it was adjusted.

Q. Promptly?—A. After we knew of it.

Q. Through your intervention?—A. Partly on that, yes.

DAVID GALLAUGHER, Auditor, Department Soldiers' Civil Re-establishment, Ottawa, recalled.

By the Chairman:

Q. Have you completed your audit?—A. Yes, sir.

Q. That is what you are producing now?—A. Yes, sir.

Q. Are there several copies of this?—A. Yes, sir; there are.

(Statement filed, marked Exhibit 8.)

The CHAIRMAN: May I suggest that if there is any other evidence to be submitted, this might be laid over for some little time so that every member of the Committee may have a chance of looking into it. Otherwise it seems to me that we cannot very well intelligently go on. I should think it would be advisable in the meantime to hear some other evidence.

Hon. Mr. GRIESBACH: I agree with that.

The witness retired.

HUGH McLEOD, Dominion Secretary of the Grand Army of United Veterans, appeared as a witness, and having been duly sworn, testified as follows:—

By the Chairman:

Q. What is your occupation?—A. Secretary of the Grand Army of United Veterans.

Q. You reside in Toronto?—A. Yes.

Q. Do you give all your time to them?—A. Yes.

By Hon. Mr. Griesbach:

Q. Have you any connection with the Dominion Veterans' Alliance?—A. We were a constituent part of it, when it was originally formed.

Q. And you still are?—A. Yes.

Q. What have you got to do with it yourself personally?—A. I am the Dominion Representative from the Association, on the Dominion body, and a representative on the Legislative Committee.

Q. Can you tell us briefly, the activities of the Dominion Veterans' Alliance, what do they do, what is their job?—A. The last meeting which I attended of the Alliance was in 1923; apparently no meetings have been held since that time, or if there were we, as a constituent part of the Alliance were not officially notified about them. In 1924 we got one notice to attend a Legislative Committee meeting in twenty four hours, but it was impossible for the Secretary of the Association or any of the representatives to attend in that short time. Since that time there has been no official announcement from the Dominion Veterans' Alliance, either from the President, the Secretary of any other official.

Q. Who is the President of this Organization, the Dominion Veterans' Alliance?—A. The President, at the present time is, Major F. G. Taylor.

Q. Where does he live?—A. In Portage la Prairie.

Q. Who is the Secretary?—A. The Secretary is Mr. MacNeil.

Q. C. G. MacNeil?—A. Yes.

Q. He lives where?—A. Ottawa.

Q. Who is the Treasurer of the organization?—A. Captain H. H. Jones, of Winnipeg.

Q. You have heard, no doubt, of an Order in Council, providing for a loan to the Dominion Veterans' Alliance of \$15,000?—A. Yes.

Q. You probably also heard of the manner in which it was distributed, in a certain number of cheques? Directing your attention to the last two cheques which were made out to the Dominion Veterans' Alliance, will you tell the Committee what your view is as to the course that should have been followed under those circumstances?—A. The proper procedure should have been that the cheque made out to the Dominion Veterans' Alliance should have been turned over to the Treasurer for endorsement and deposit, to the credit of the Dominion Veterans' Alliance.

Q. Had Mr. MacNeil, as Secretary of the Dominion Veterans' Alliance, any right to endorse and deposit this cheque?—A. I do not think so, for the simple reason that any business transaction which the Grand Army of United Veterans had with the Dominion Veterans' Alliance were accessible to the Department, and any money due to the Alliance, as our constituent part, was always paid direct to the Treasurer. As a matter of fact, after the last meeting of the Dominion Alliance, on November 5, 6 and 7, 1923, we sent a cheque for an unpaid amount to H. H. Jones, for our share of the expense in connection with the meeting, that had not been taken care of hitherto. That was after 1923.

Q. Can you tell me under what circumstances you became aware of the payment of this amount of \$10,000 to the Dominion Veterans' Alliance?—A. I

had heard the proverbial rumours that certain monies were obtained, but I had no definite knowledge as to which particular fund the money was given from. My first intimation, or rather the first official intimation was, when it was announced through the daily press, in view of the inquiry in the House of Commons, into the question.

Q. Have you received a letter from the President of the Dominion Veterans' Alliance, in which he sets out the whole transaction and expresses his views as to the propriety of the action taken by Mr. MacNeil?—A. Yes.

Q. What do you say with respect to the observations of the President of that organization?—A. Well, I will change that, knowing Major Taylor as I do, that he was very charitably disposed, giving, in his opinion, the best possible explanation with a view, no doubt, to saving anybody that had to be protected, but the statement that he made did not coincide with the viewpoint that we ourselves, as an Association, felt.

Q. What were your views with respect to the transaction?

By the Chairman:

Q. Have you a copy of his letter?

Hon. Mr. GRIESBACH: It is on file.

The WITNESS: Many views could be held about the matter. It was an entirely new procedure. It was rather difficult to understand why an Association like the Dominion Veterans' Alliance could be used without those of us, who had made personal sacrifices to attend meetings of the Alliance, knowing anything about this transaction.

By Hon. Mr. Griesbach:

Q. You received no notification about the transaction from Mr. MacNeil?—A. None.

By the Chairman:

Q. Did the Alliance at any time take any action except through the letter, with regard to this payment and endorsation?—A. They have not yet.

Q. You have nothing on record with regard to that?—A. No.

By Hon. Mr. Griesbach:

Q. With respect to that, it is a matter which you can only put before your organization at the Convention, when it meets, is it not?—A. Yes.

Q. The President has stated his views. You can withdraw your representation and practically dissolve the Alliance. That is a matter for your Convention, when it meets?

By the Chairman:

Q. You had no occasion to deal with it?—A. After Major Taylor made an official announcement to all the associations I suggested to him, in view of the particular nature of the disclosures, that we, as a particular part of the Alliance, were involved to a certain extent, in many ways, so that a meeting of the Alliance should be held, either to continue its functions in some other way or to bring it to a final conclusion.

Q. Was there anything said with regard to this particular matter, under your recommendation?—A. When I acknowledged the official letter of Major Taylor, I pointed out that while his letter was a clear explanation of the transactions, as he knew them to be, I could not agree with the conclusion reached, that exoneration be implied with respect to the principal in the transaction.

By Hon. Mr. Griesbach:

Q. What are the functions of the Dominion Veterans' Alliance, briefly? What do they do?—A. I believe it was originally formed for the purpose of effecting amalgamation away back in 1921 or prior, and then in subsequent meetings at Winnipeg, in 1922. By 1923, all veterans in Canada were to be amalgamated. They had another function, which was legislative in extent, to deal with and try and function to localize veteran viewpoint and opinion, so that it would be presented in as united form as possible to the powers dealing with legislation in this country.

By the Chairman:

Q. What was its avowed purpose?—A. It has been suggested sometime that it functioned with the object in view of being a stepping stone or a plank, to make a bridge, whereby all associations could merge into one body.

Q. Was your body to be a merged body?—A. We have always been willing—

Q. No, but did you set out for the purpose of accomplishing a merger through this association or which body was to be merged?—A. That is a hard question.

Q. Your answer is very vague. You were not the one that was to be merged?—A. If I might explain—because I do not wish to have it said that I am evasive in any way.

Q. I said it was vague.—A. The Grand Army Command at the present time is composed of two distinct organizations. They merged their branch in 1920 and took a part of the name of both associations. With respect to answering your question, any amalgamation, any association, would want a particular part of its name to be carried in the permanent body, and that is only natural, and none of us can say what would be the name of the body that would be eventually the amalgamated body of the veterans in Canada.

Q. There is a feeling abroad and it has been my feeling, that the other associations outside of the Great War Veterans' Association, had willingly left the control and the general activities, in which all the returned men were interested, largely to the G.W.V.A. There is a sort of acquiescence all around, that they were to be the aggressive body and so on. What is the truth about that?—A. I think you may have had some reason to form these opinions but they are wrong conclusions, when the facts are taken into consideration. I want to say here that at no time the Grand Army of United Veterans, or the Grand Army of Canada, in its original composition, gave any authority or intimidated in any way that we were not capable of playing our part with the very best of them, in the Dominion of Canada.

Q. The question is, exactly what was your part? That is the point I am trying to get at.—A. I would like to say this, that the history of the Grand Army of United Veterans, with its pre-formation in the Grand Army of Canada, is very indelibly written in the records of the various papers concerned with soldiers' re-establishment.

By Hon. Mr. Griesbach:

Q. By virtue of the fact that you have, on behalf of your members and others, corresponded with these various establishments in putting forward claims of your members and others?—A. Yes.

By the Chairman:

Q. Was there ever any understanding as to the respective provinces of each of these associations, as between themselves?—A. No. As a matter of fact, when the Grand Army was formed in 1918, we were looked upon more or less, as interlopers; we had no right to form an association. As a matter of

fact, I was a very active member of the Great War Veterans' Association in 1917 and 1918. I think I can draw to the attention of the present secretary of the Great War Veterans' Association the fact that I was a delegate to their Dominion Convention in Toronto, in 1918, when Mr. MacNeil was representing some district or some town in Saskatchewan. The point is, that when the Grand Army of United Veterans came into being, with the name it has now, there was considerable opposition, I might say, to our entry into the veteran arena for the simple reason that it was thought that the mother association, as they were called then, the G.W.V.A., was also first, and the single viewpoint was to control organizations, new associations, like the Grand Army of United Veterans; so that you can understand that we never did at any time or never would delegate any of our functions, as an association, to any other body of veterans in Canada, because there is no one who can say that the men who have been charged with the duties of carrying on the work of the Grand Army of United Veterans do not know their business and are just as competent representatives of the veteran in this country or elsewhere.

Q. Are we to understand that the different associations had for their field of operation practically all the activities of the G.W.V.A. or any other one? You were all engaged in the one field?—A. Yes, you might say our interests were common, in view of the fact that we had to do work for all veterans and their dependents.

Q. All sorts of work?—A. Yes.

Q. With this exception, that the Grand Army of United Veterans' has always taken a particular stand on the re-establishment question? I am referring now to the readjustment policy of the Grand Army of United Veterans'—A. While we, as associations, all had common interests, yet there were some particular fields of legislation that we were left to ourselves to plough our way through, and do the best we could under the circumstances.

Q. Then, I come back to the question I put to you before. Was it by general acquiescence or was there at any time an apportionment of the work to be done?—A. No.

By Hon. Mr. Sharpe:

Q. Did you ever delegate any of your powers to the headquarters of the G.W.V.A. here?—A. No, sir. I want to make that very, very definite, because I believe information has been given out, from time to time, that the Great War Veterans Association was obliged to do adjustment work and to take up other matters for the Grand Army of United Veterans. I want to make this official declaration now, under oath, sir that it is a misrepresentation and not true.

By the Chairman:

Q. What is the amount of your membership?—A. Well, that is another very hard question to answer, sir. We are functioning as a national association from coast to coast, with branches in most of the Provinces. At one time we had a practical connection in all Provinces, but owing to one or two reasons we left the Provinces in the days of our organization period that we might have very skilfully cultivated to our own advantage. Take the Province of Alberta, for instance, where the old resolution, dealing with the cash bonus, originally emanated from, there was a territory where a large number of veterans in Alberta favoured the policy of the Grand Army of United Veterans. Its branches were achieving the same results that we would have achieved, by going in there ourselves, so that in the Province we have very little connection, although we deal with pension cases. It is impossible to get what might be termed a very, very accurate statement regarding our membership and I do not think it is altogether a fair question to ask.

By Hon. Mr. Pardee:

Q. Do you still consider yourselves an active entity?—A. Yes, sir. We are very, very active because we are holding our Convention this year at Winnipeg—

Q. Outside of your convention in Winnipeg, do you consider yourselves an active entity, in the way of carrying on in the benefit of returned men?—A. Absolutely.

Q. In what way?—A. Our records will show that we have obtained very large sums of money in adjustment pension work. Only the other day, before I left the office, the Secretary of the Sarnia branch—and by the way, he is credited also with being the Secretary of the Sarnia branch of the G.W.V.A. which is another misstatement—wrote me to the effect that he was successful in getting an adjustment case through at the present time, covering an amount of \$1,600 a year, back pension. The records of that particular branch will show that he has been a skilful and successful adjuster, merely giving his spare time, and a great deal of it, to this work. We have, among our members, other adjusters whose record will stack up with that of any other adjuster in the Dominion of Canada, and I am prepared now to say that the record of one of our particular representations will not be equalled in representation in the Dominion of Canada. I am referring now to R. J. Eager, Secretary of the Kitchener amalgamated branch of the Grand Army of United Veterans and of the G.W.V.A. We come west again. I want to say that the Grand Army of United Veterans are blazing a new trail and holding forth in a way that gives the Dominion representatives great hope and courage for the future. We come from there to the Western Provinces, and I want to thank you and to tell the Committee as emphatically as I possibly can, that no association maybe in the Dominion of Canada held a larger Provincial Convention than did the B.C. Command of the Grand Army of United Veterans for the last two years. I make that statement, believing it and knowing it to be true. As a national association our correspondence shows that we are asked to deal with cases, not only from every Province in this country, not only from Great Britain, not only from the United States, but from far away places as well. In our correspondence last week we were asked to take up a pension case on behalf of a man living in Buenos Aires. I am not so well acquainted with my geography, and some of you gentlemen will know better than I do just where that particular place is.

By Hon. Mr. Griesbach:

Q. What you say with regard to your organization is that you are first amongst ex-service men's organizations?—A. Yes, as I said a little while ago, our records stand out here in the various Departments concerned with the re-establishment question here.

By the Chairman:

Q. Might I suggest that you confine your answers to the questions, because if you are going to detail all that you have accomplished, I am afraid we will never finish with this Committee. Put it in general terms. We understand that you are an active body and not renouncing any of your proposed activities, and you are doing the best you can to make your object prevail.

By Hon. Mr. Griesbach:

Q. I was going to ask Mr. McLeod, coming back to the two cheques of \$20,000, made payable to the Dominion Veterans' Alliance, had the Dominion Veterans' Alliance any use for that money if they had got it?—A. No use for it.

By the Chairman:

Q. If you had no use for it, you never missed it then?—A. Yes. That is right. We all paid our own expenses when we came down to the meeting, and the expenses involved in meetings were very trifling.

Q. Do you ever communicate with one another as to the purposes to be accomplished or as to the means for carrying them out? I mean purposes of general interest.—A. Oh, yes, the legislative committee of the Dominion Veterans' Alliance functioned for that purpose—

Q. Well, did you approve, for instance, of the selling of poppies by the G.W.V.A.?—A. No, we certainly did not.

Q. Did you protest against it?—A. Yes.

Q. In writing?—A. The matter was discussed, sir, at the last meeting of the Dominion Veterans' Alliance, and having the viewpoint that it was rather a good thing to be in on the ground floor on these poppies, we naturally felt slighted that we were not allowed to participate in it, and the question was raised by Captain Colebourne, of the Army and Navy Veterans, asking for an explanation by Mr. MacNeil, and we were forced to the conclusion that we were wasting our time in dealing with poppies, and that there would be a whole lot of expense involved, and there was no profit and we allowed the matter to drop.

Q. Was there at any time any action taken by your association with regard to the proceeds of the sale, especially with regard to the two cheques, of which we have spoken? Was there any mention whatever except the letter from Major Taylor?—A. We took the necessary action to protect our interests, as regards the Alliance, by notifying the chairman of the Alliance that it was necessary, we thought, that a meeting of the Alliance should be convened to deal specifically with the question of these cheques. No reply has come from the president of the Dominion Veterans' Alliance, because, I believe it was understood, they would be in Ottawa somewhere around May and would try to convene a meeting so that they could get down to a disposal of the business which brought them together.

Q. Was the matter ever taken up with the Department in writing, or otherwise?—A. By the Grand Army of United Veterans?

Q. Yes.

By Hon. Mr. Griesbach:

Q. You have no right to take it up, have you?—A. No.

Q. As a matter of fact, the only body that can take up the question officially is the Dominion Veterans' Alliance?—A. Yes, I take it that way.

Q. On the question of the \$10,000, the cheques which were made payable to the Dominion Veterans' Alliance, you said, in the first place, that the course of action to be followed by Mr. MacNeil should have been to forward the cheques to the secretary of your organization, the Dominion Veterans' Alliance?—A. The treasurer, yes.

Q. What other steps would have been taken? Supposing the money had been sent to the treasurer of the Dominion Veterans' Alliance, then what other steps could have been taken?—A. I suppose he would have taken the first step, and deposited the money to the credit of the Alliance and call a meeting of the Alliance and say that they had had a pretty nice wind-fall, and it would be nice to get together again and split the odd bottle.

By the Chairman:

Q. According to what you said a few moments ago, you had no use for it. You would not have taken it. You were asked if you would have any use for it and I think you said directly no?—A. You mean me as a member of the unit?

Q. No, you were speaking for the Alliance.—A. No. I could not speak for the Alliance. I can only speak for the Grand Army of United Veterans and its relationship to the whole.

Q. You misunderstood my question.—A. Yes.

Q. If those two cheques had gone to the people to whom they were made payable, you say now they would have been deposited?—A. I am making a direct answer to that question. I would say that, speaking as a representative of the Alliance, in view of the fact that the Dominion Veterans' Alliance did not have a machine of any kind, the need for receiving a grant of money of that nature did not seem to be made very, very urgent or necessary.

Q. The point is, if the Alliance had knowledge of those two cheques and did not get them, they would probably have asked for them, but having got the two cheques, would the Dominion Alliance have refused to take them?

Hon. Mr. SHARPE: They would be divided among the different associations.

By Hon. Mr. Griesbach:

Q. As a matter of fact, can you possibly be in a position to say what they would have done?—A. Absolutely not.

Hon. Mr. GRIESBACH: He can say, to get clearly in your mind, just who he is. He is merely a member of the council. He first of all expresses the opinion that the cheques should be carried through to the treasurer. Beyond that he cannot go. At the next meeting of the organization the treasurer would announce that he had received this sum of money, and I will put it to you that, having had a meeting, the treasurer having announced that he had received \$10,000 in this way, it would then be for your organization and for them alone to say what should then be done with the money.

The CHAIRMAN: My difficulty was that I saw an inconsistency in his previous statement, that they had no use for the \$10,000, and the later statement that it would be quite a wind-fall.

Hon. Mr. GRIESBACH: To my understanding he has brought it out now, that it would have been a windfall. As to what they would have done with it he could not say. The council would meet and decide what they would do.

By Hon. Mr. Pardee:

Q. Supposing your council had met and the Dominion Veterans' Alliance would have said "we will accept the money," had you the machinery for disbursing and using that money?—A. We, as an association?

Q. Did you have the machinery for using and expending that money?—A. Who do you mean? The Alliance?

Q. The Dominion Veterans' Alliance, to whom the cheque was payable?—A. No.

Q. Could you then have allocated that money to any other body?—A. Yes.

Q. Would the money then have gone to the other body, for the purpose for which the Dominion Veterans' Alliance, had allocated it to those bodies?—A. To a certain extent, yes.

Q. Could you have still allocated that money to a body like the Dominion Veterans' Alliance that I am talking about now?—A. Not without reference to the Order in Council governing the procedure, as to how the money was to be disbursed.

Q. The Order in Council said it was to go to the Dominion Veterans' Alliance for a specific purpose. Could you have allocated that money for this specific purpose?—A. That is a new question, sir.

Q. It is very simple?—A. It is a question which we never had to deal with.

Q. You have a constitution?—A. The Alliance had no constitution. It was merely the coming together of certain associations.

Q. I understand that. Did you have any resolutions?—A. We had resolutions and procedure for representation.

Q. Those resolutions set out the specific needs of the Alliance?—A. No.

Q. You still maintain or do you not, that you could have allocated that money to whatever bodies you liked, if you had met within ten days, and the Treasurer had deposited, could you have said where that money should go? Did you have any power over it all?—A. Well, we had never been in the habit of receiving money.

Q. I understand that. I am not asking that.—A. And when the Alliance was formed each association paid its own constituent part of the expenses.

Q. You told us that. Now, here was \$10,000, which you say should have gone to the Treasurer of the Dominion Alliance. What I want to get from you is, what would the Treasurer have done if he had got the money?—A. I think the procedure, as already stated by me, would be the procedure he would naturally follow.

Q. Could he say that the money was to go to so and so? Did he have the power to do that?—A. No, I do not think so.

Q. When you got the money, would the \$10,000 have laid there in status quo for all time?—A. No, the Grand Army would have made very strenuous representations, and we would have been prepared to back up our representations in the council, as we were part of the Alliance and should have an equitable share of that money for pension purposes.

Q. Now, you have got to it.—A. I did not understand the import of your question, as you presented it, but I think I have explained the position that had this windfall come to the Alliance we would, naturally, being a national association, have asked for an equitable share of the money for our pension adjustment work.

Q. You say he could not have disposed of the money except in the way provided for in the Order in Council, which is quite evident, no doubt?—A. Yes.

Q. You say that you had no use for or would not have used the money because you had no machinery. Could you not have created the machinery for the purpose of carrying out the provisions of the Order in Council with regard to the \$10,000?—A. I think the answer to that is, that as soon as you have your rabbit caught, you can easily find a way of cooking it. In this case, having got the money—

Q. That is all. That is the whole thing. Anything else?

By Hon. Mr. Griesbach:

Q. We were discussing poppies. Do I understand you to say that you were given to understand that there was no profit made by the Great War Veterans' Association in the handling of poppies? What assurance have you of that?—A. We were not in position to get very specific information on that. I believe, at one time, that the Army and Navy Veterans' Association had considered taking part of the burden of the G.W.V.A. in handling these poppies. It was stated that there would be considerable expense initially in getting them early before your returns came in, and that, I think, was one reason why the Grand Army of United Veterans' did not consider the question further, because we had no money to pay in advance for revenue that might come in later on. While the question was raised in a general way, there was a casual general definition given by Mr MacNeil of the activities and how the operations were carried out, and the overhead expense to be met; the distribution and so on was the cause of a whole lot of trouble, and that it involved a matter of some 16 or 18 per cent for overhead expense.

Q. Were you present at the meeting of the Dominion Veterans' Alliance, in 1923?—A. Yes.

Q. Mr. MacNeil was present at that meeting?—A. Yes.

Q. I am reading now from the Minutes of the meeting, under the heading "Poppy Day Campaign":—

Poppy Day Campaign:

It was reported to the Council by several delegates that complaints had been received with regard to the monopoly obtained by the G.W.V.A. in the distribution of Vetracraft poppies on Armistice Day. The arrangements for the Poppy Day campaign, as conducted by the G.W.V.A. were fully explained by Comrade MacNeil. Statistics were tabled in proof of the assertion that no profit was derived therefrom by the Dominion Command, G.W.V.A. as the major portion of funds raised in this manner were left in the community for relief purposes. Any surplus transferred from the campaign fund to the credit of the G.W.V.A. did not exceed the amount required for reimbursement of administration expenses.

The representative of the Amputations' Association expressed regret at their inability to remain for the balance of the proceedings, and appreciation of the insight given into the problems confronting the Dominion Veterans' Alliance.

Do you remember that statement?—A. I have a copy of it before me.

Q. This is the statement on which you relied, that there were no profits in the transaction?—A. Yes.

Q. As a matter of fact, in the statements put in by Mr. MacNeil, he shows a profit on poppies in his statement, a revenue of \$5,148.15. What do you say about that statement squating with the account?—A. It does not seem to altogether agree, does it?

Q. What do you say as to the general proposal that any organization should have a monopoly of the disposal of poppies?—A. I am absolutely opposed to that, but a monopoly has existed to a certain extent.

Q. Has it actually existed or do you say it was thought to exist or it was believed to exist?—A. Has existed, I think.

Q. Has existed?—A. Yes.

Q. Ex-service men's organizations do believe in it existing?—A. We do, because we thought there was a monopoly.

Q. Have you had any experience in connection with the matter?—A. Yes, I have had an experience which I think I should relate to the Committee. In Toronto, last year, the different Associations got together and had a poppy day. The territory was so allotted that it was decided that within an area of three miles outside the city limits, all the suburban districts would come in under the city, for the benefit of the poppy day movement. Out on the Lake Shore Road, some of the boys here who used to do their training at Stop 35, on the Lake Shore Road, where we have a branch of the Grand Army of United Veterans, a very active one, with a clubhouse that they were building out of their own funds. There is no G.W.V.A. branch between Sunnyside or New Toronto and Port Credit; it is out along this Lake Shore Road, so the Lakeview Branch of the Grand Army of United Veterans put on a little poppy day of their own, arranged the campaign and everything, and we placed an order at the local D.S.C.R. for 2,000 poppies, so when I got in touch with the local officer, Mr. Davidson, I think it is, Mr. Davidson said, "I want to get my poppies from the Great War Veterans' Association." I said, in as polite language as I could, as far as this boy was concerned, I would not stand for any such policy. I said, "if you cannot give me those poppies direct, without going to the G.W.V.A. I certainly want to have that information because it is nothing more than a monopoly." He said, "I will 'phone you back in a little while." In a little

while he 'phoned me to say that I could have the poppies. I do not just remember what we paid for the poppies but I told him I wanted to get the poppies at the same price as they were sold to the Great War Veterans' Association. I think we paid \$17 a thousand for them.

By Hon. Mr. Sharpe:

Q. Who is Mr. Davidson?—A. Mr. Davidson, I understand, is the Manager of the Vet Craft shops at Toronto, where most of the poppies are made.

Q. Made for whom?—A. Made for distribution.

Q. Who pays for them?—A. The Government.

Q. The Department?—A. Yes.

Q. They make them for the Department?—A. They are made in the Vet Craft shops for the Department.

By the Chairman:

Q. Did your Association ever apply to the Department for poppies?—A. We did apply and we were told we would have to get them from the G.W.V.A.

Q. Who told you that?—A. The representative in charge down at the Toronto shop. I think, if my memory serves me, it was Mr. Davidson. I think I have correspondence between the Grand Army of United Veterans—I do not think it got as far as the head office, and Mr. Davidson thought on account of the graceful way we went after him that we were entitled to some consideration. It was going to be the hardest job I was ever asked to do in my life to go to the G.W.V.A. and say "will you supply us with poppies"?

By the Chairman:

Q. Eventually you got what you asked for?—A. Yes, because we insisted on being treated with equal deference.

Q. Whatever the motive, you got them?—A. Yes.

By Captain Shaw:

Q. You have already told us that you were the Secretary of the Grand Army of United Veterans?—A. Yes.

Q. This is the organization which came into being through the activities of Mr. Flynn, some years ago?—A. No.

Q. It was not the same organization?—A. No.

Hon. Mr. GRIESBACH: Do not try to tack Flynn on to him.

By Captain Shaw:

Q. It was an organization with which Mr. Flynn had something to do?—A. Yes.

Q. I am informed that your organization differed from some other organizations and that it sought to have political action, as distinguished from some other organization. Is that correct or incorrect?—A. I am beginning to enjoy this.

Q. Will you please answer my question?—A. I am just wondering what it has to do—

Q. Just answer my question.—A. Yes. In 1922, I asked you to take some action in the Commons, with respect to evidence given about the Grand Army of United Veterans on the question of cash compensation. I was trying to use you politically, the same as I was trying to use others, and the Association is just as political and no more than the others at the present time.

Q. You say you were trying to use me, as a political agent, to get the \$2,000 bonus?—A. To start the matter.

Q. You did not succeed?—A. Not yet.

Q. Then, I suggest to you that one of the distinguishing features of your organization was that you believed in political activities primarily, for the

purpose of getting the \$2,000 bonus for all returned soldiers. You were prepared to exercise political means?—A. Yes, no different from other associations.

Q. That would be for them to say?—A. Yes.

Q. I judge from some of your remarks that your organization is not very friendly to the Great War Veterans' Association?—A. Well, suppose we put it the other way.

Q. You mean that they are not very friendly to you?—A. Yes.

Q. In any event, there is considerable ill feeling, is there not?—A. I do not know whether it is ill feeling. It is not what you might term the very best of good-will though.

Q. It is not harmony or good-will? Your organization, however, as represented in the Dominion Veterans' Alliance, did approve of the appointment of Mr. MacNeil to present the soldiers case to the Ralston Commission, did you not?—A. Not of Mr. MacNeil alone. As a matter of fact, there is considerable correspondence to show that we, as an association, personally objected to Mr. MacNeil representing the Veterans or the Alliance before the public at large. I think the other representatives, of the tuberculous veterans and the Army and Navy Veterans who are here, will be able to recall the discussion on that question.

Q. I am only interested in the answer, yes or no. Did your organization approve, as representing the Dominion Veterans Alliance, of the appointment of Mr. MacNeil, to represent the soldiers before the Ralston Commission?

The CHAIRMAN: Might I ask you if you think it proper for this Committee to go outside of questions which have been referred to us, the question of the sale of poppies and the question of the Canteen Disablement Fund? If this Committee is going to undertake to investigate the other matters about which you are speaking now, we can expect to sit here for the rest of the year. After all, what would be the object of submitting evidence of facts with regard to those other matters, as we cannot make any report on any of those, except in regard to those which are referred to us.

Captain SHAW: This Committee must know what credence can be placed in the evidence given by any witness before it. I do not propose to take very long in connection with the matter. This gentleman comes here, speaking on behalf of his organization. I think I have a right to ask whether the organization be dead or alive or what kind of organization it is. As to the charges against Mr. MacNeil, surely I have a right to inquire as to his authority.

The WITNESS: I am making no charges, Captain Shaw.

By Captain Shaw:

Q. Not directly. Did your organization, on the 3rd of November, 1923, as representing the Dominion Veterans' Alliance, approve of the resolution now before this Committee, and express to Mr. MacNeil and his staff heartiest thanks and sincerest gratitude for the services rendered by him?—A. We did not approve, sir, although it was a question, I think, that we had to make the matter unanimous, although we all understood the import of that resolution.

Q. I understand that although the resolution was passed unanimously, your organization being represented, yet you did not believe what the resolution said?—A. Well, yes, to a certain extent.

Q. Well, Mr. MacLeod, has your organization any branches in Prince Edward Island?—A. No.

Q. In Nova Scotia?—A. Yes.

Q. How many?—A. We have some branches there.

Q. How many, Mr. MacLeod?—A. I do not think this matter is relevant.

Q. Very well, if you do not care to disclose it. Have you any in New Brunswick?—A. No.

Q. Have you any in Quebec?—A. Yes.

Q. Do you care to disclose how many you have in Quebec?—A. I am not obliged to disclose, sir.

Q. I am not going to ask you. What about the Province of Alberta?—A. Well, we have some contacts there.

Q. Have you any branches in Alberta?—A. Yes, we have some branches that function just as successfully as some of the branches of the Great War Veterans' Association.

Q. Are they alive?—A. Just as much alive as some of the branches which I visited, of the Great War Veterans.

Q. Will you tell me if you have any branches in Alberta that are functioning?—A. To a certain extent.

Q. Have you any in Saskatchewan?—A. Yes, to a certain extent.

Q. What about Manitoba?—A. We are very strong in Manitoba.

Q. There is no doubt about that?—A. We put on a big Decoration Day service two weeks ago, and we held the centre of the stage for a while.

Q. With regard to the Dominion Veterans' Alliance—A. Why does not Mr. Shaw go as far as Vancouver and Vancouver Island. He does not mention anything about Ontario.

Q. I cannot afford to go that far. I will be the judge of the questions asked. Now, Mr. McLeod, this Dominion Veterans' Alliance was formed, you told us, for the express purpose of bringing about amalgamation within the expected time of one year?—A. Yes.

Q. That was the only purpose which it had?—A. And to insist for legislative action.

Q. And the legislative action was distinct as from what would be called service action.—A. It was inter-related to a certain extent.

Q. You have read the letter of the President of this Organization, Mr. Taylor?—A. You mean the letter dealing with the cheques?

Q. Of the 17th of April, 1925?—A. Yes, I have read it.

Q. In which he pointed out that the Legislative Council has never had anything to do directly with service work, which has been carried on by Members at Ottawa?—A. That is a correct statement, is it?

Q. I am reading from the statement of Mr. Taylor, who was President of the Dominion Veterans' Alliance. In this capacity he is speaking as President of the Dominion Veterans' Alliance. He said that they had a legislative committee. He says that this Legislative Council has never had anything whatever to do directly with service work, such as has been carried on by the Navy Veterans' Organization at Ottawa, and it is perhaps only fair to say that the G.W.V.A. had been formed?—A. Yes, I think that is correct.

Q. So they had no relation except very indirectly with service work?—A. Yes.

Q. They have no bank account, as far as you know?—A. The Dominion Veterans' Alliance?

Q. Yes.—A. Yes, I think they must have had.

Q. Where was it kept?—A. I presume it was kept—

Q. As far as you know, was there any bank account?—A. I am taking for granted that there was one.

Q. Do you know that there was one?—A. Because we made certain commitments to that particular account. The cheques were not returned to us.

Q. The fact is that expenses were incurred in connection with certain typewriting and convention work, and that each organization submitted those accounts to the treasurer of the organization, Mr. Jones, and he paid them?—A. Yes.

Q. Other than that there have been no financial transactions with any of the organizations at all? Is not that the situation, as far as you know now?—

A. As far as I know, yes.

Q. Your organization—I am speaking about the Dominion Veterans' Alliance—did not have a Service Bureau, did they?—A. The Grand Army?

Q. No. The Dominion Veterans' Alliance have no Service Bureau?—A. No.

Q. And they never contemplated opening one?—A. To a certain extent, yes, because the need was mentioned there of such a bureau.

Q. But they never did actually open one anyway. You are sure of that?—A. Certainly not; no.

Q. And approved, did they not, of the work undertaken by the G.W.V.A. in that connection?—A. I think, seeing that Mr. Shaw has introduced this in to his discussion, it is only fair to show why bouquets were the order of the day at the last meeting of the Dominion Veterans' Alliance, and a man has to be a poor piker, who would not lend his support to the general bouquets that were so voluminously thrown at Mr. MacNeil. We would have been placed in a funny position had we refused to lend our support, but it was a sincere attempt to estimate the work which had been done by Mr. MacNeil.

Q. What you want to say is, that although your organization joined in the bouquet, they really did not mean it?—A. I made my statement, Mr. Shaw.

Q. The Dominion Veterans' Alliance made no application of their own moneys from the Disablement Fund or from any other fund, as far as you know, did they?—A. No, not as far as I know.

Q. You have already said that they had no means of carrying into effect, or no available means of carrying into effect an expenditure of \$10,000 for the purpose of the Service Bureau, at Ottawa?—A. No, they had not enough time to be advised of the need for that.

Q. I suppose you agree, that the \$10,000 was properly expended, within the terms of the trust?—A. Well, I think it is only right to agree that the work has been done and that the money was used for that particular purpose. That should reflect on all other associations.

Q. I am talking about the expenditure of \$10,000.—A. Yes.

Q. You are satisfied the money had been properly expended?—A. I have no knowledge to the contrary.

Q. You are satisfied that the money has been expended properly?—A. I think I have answered the question.

Q. You are fairly well satisfied? Are you satisfied in your own mind that the \$10,000 that has been in question has been properly expended?—A. I have no knowledge otherwise. Whether it is an answer to the question or not, the honourable gentleman will decide.

Q. Your organization received from the Canteen Fund some \$8,000 on the 21st of September, 1921, on the date of the Order in Council. Did you make an accounting of that sum?—A. Yes.

Q. To whom?—A. To the trustees.

Q. Who are the trustees?—A. They are mentioned in the Order in Council, Mr. Margeson, Mr. Barnett, Mr. G. F. Nickle, and Mr. Marsh. I understand the vouchers for the expenditures up to that particular time were sent down to the trustees.

Q. Did you have any knowledge of the matter yourself?—A. Yes, we have knowledge that the matter was attended to, and the procedure was that after a considerable expenditure of money had been made, the vouchers would be sent down periodically. I might say that the period which Mr. Shaw is referring to now was before my term of office, as Secretary of the Grand Army of United Veterans.

Q. Are you speaking of your own personal knowledge, when you say that a full and complete accounting of this sum, whatever it was, of \$8,000, has been made?—A. You mention a sum of \$8,000; yes. I am quite safe in saying that the trustees have the vouchers covering that expenditure of money.

Q. And the trustees, I presume, had been satisfied with your disposition of the trust?—A. They have expressed themselves so to me, on many occasions, verbally.

Q. Not in writing? Verbally?—A. Yes.

Q. We will be able to find from the trustees and from the Department all the necessary information in connection with this accounting?—A. Yes. There is another question about that. I think I am safe in saying that the trustees have the vouchers, unless the records are so far out of the way—but they should be in their possession.

Q. Did your organization put them there?—A. Yes. I think there was evidence to show that we had correspondence with those officials and that the vouchers were sent on.

Col. FREDERICK F. CLARKE, Grand Commander, Canadian Legion; Chief Surveyor, Canadian National Railways, appeared as a witness, and having been duly sworn, testified as follows:—

By Hon. Mr. Griesbach:

Q. What is your occupation?—A. Chief Surveyor of the Canadian National Railway.

Q. You are representing the Canadian Legion?—A. Yes.

Q. What is your position in that Legion?—A. I am Grand Commander of the Canadian Legion.

Q. You are the head of that organization?—A. Yes.

Q. Are you a member of the Dominion Veterans Alliance?—A. Yes.

Q. What are you in that organization?—A. I am just a member. Each active organization has two representatives in the Dominion Veterans Alliance.

Q. You are one of them?—A. Yes.

Q. Would you care to say anything about the peculiar nature of the organization, the reason it was formed and so forth?—A. I think an explanation is due, to clear the air. On the completion of this late war we had in Canada one veteran organization of prominence; that was the Army and Navy Veterans; they comprised practically all the Imperial veterans that were in Canada, and members of the late wars. We have branches in that representing the South African Veterans and the North West Field forces, but on the veterans returning from Overseas, from the late war it was felt that their difficulties were peculiar to war conditions, and that a separate organization should be formed. This organization, I understand, sprung up in Winnipeg with Mr. Maxwell, who was mentioned several times, as their President; the Great War Veterans starting before the war was over among the few that had returned, disabled and wounded, to Canada; they got pretty well under way and by the time the bulk of the soldiers came back, including myself, the Great War Veterans was practically an organization in Canada. I believe they went as far as to organize some 800 branches. I joined up, like many thousands of others, in the Great War Veterans. I joined my own post in North Toronto. After attending two meetings it was quite apparent that I was out of place; the discussions were not of particular interest to me and my own suggestions of carrying on the work was pooh-pooh-ed and I felt it was no place for an officer, and like a great many, like so many thousands of officers and men in the expeditionary forces, I dropped out of the organization. This gave rise, as you see, to other organization growing out of it. Part of these joined with the Grand Army. They afterwards formed the United Veterans, the Grand Army of United Veterans. They had their difficulties. We have had several organizations formed from the veterans, which would require special attention; I might say, the tuberculous veterans

and numerous others, so that in Canada to-day we have a great many veteran organizations which grew out of the present war. Around the year 1921, the veteran organizations were meeting with no end of difficulties; they were at cross swords with one another, as far as legislation was concerned. The different problems that were coming up were being weakened by one veteran organization off-setting the other, and we even had a nondescript organization grow up in the Park in Toronto, which marched on to Ottawa; and this was all tending to lower in the public estimation the high standing of the veteran and all the honours that should come to him through service in the war. In the Old Country, no doubt, they had the same problems, and through the efforts of the Field Marshal the British Legion was brought into being. In that were blended together for organization purposes, all the existing veteran organizations.

Q. Is this reamalgamation?—A. This is reamalgamation. We, in Toronto, felt that we were early in the war and we should be early in our organization. We immediately applied for a charter for the Canadian Legion; we got some twenty senior officers, in M.D. No. 2, and after a while senior officers from coast to coast, and many senior officers in the Militia. It was felt that one veteran organization, with one Dominion Command, could handle veteran affairs more effectively than all the separate organizations coming down to Ottawa and putting up their claims. Now, we went ahead with the Legion Organization and we met with opposition. Our first opposition was from some German publishing company, who used the name to exploit it, feeling that since the Legion was strong in England, Australia and the United States, that they might get circulation for 600,000 copies in the Legion in Canada. We took the matter up with the Secretary of State, and after negotiating with this firm we finally secured our charter for the association.

By the Chairman:

Q. What year was that?—A. That was in 1921. Now, the Legion did not separate—it was not the intention to start as a separate veteran association. We wished to bring together, by some means or other, all existing organizations into one, and with that thought in view we attended a conference at Port Arthur. Little progress was made there because each organization had to have its say as to its assets and one thing and another, but it was finally arranged that, after the different organizations went to their convention, they would have views and be able to express themselves at the meeting held in Winnipeg the year following. This meeting was held in 1922, in Winnipeg. While all the delegates present were of the opinion that veterans should be united, it was not possible to bring about amalgamation, and it was suggested by the Great War Veterans that, instead of amalgamation, we have this Dominion Veterans' Alliance, and after a lengthy debate it was finally agreed that the Dominion Veterans' Alliance might be a stepping stone towards amalgamation, and it was therefore formed, and we appointed the next meeting to be in Ottawa in 1923. The Legion did carry on active work in districts where there was no veteran organization, and also in districts where the veteran organization had, to use the term, kicked over the traces and disowned their old organization; and we were invited to speak at a number of places; we organized in Gananoque; we were asked to visit the Great War Veterans' Association in Port Arthur with a view of talking it over. We felt that if amalgamation was to be brought about, it was immaterial to us whether a man belonged to the Great War Veterans or the Army and Navy Veterans or the North West Field forces, or the South African Veterans, for the Legion would include them all eventually; and, like Church Union, it does not matter what church you belong to, if you are going to join the Union, you are there in the end anyway. At the present time we are very strong on the Pacific Coast, and in Toronto we have a strong central branch; in

Owen Sound, a good branch, and in Gananoque, and in Oshawa and different places. In Canada, I might say, the policy is that all its officers shall give voluntary services.

By Mr. Griesbach:

Q. Anything you do for the men is voluntary?—A. Yes. Gentlemen, we feel that if a veteran organization is to take hold in Canada and give real service, the officers should be men who can give a little time and money, for the honour that is in the cause, and the money that we might obtain from selling poppies or anything like that, should be properly spent. We look to the future in Canada, and this is our first lesson. We see what has happened in every other country, where the old soldier, after he has finished his work, is unfit for further service and starts to walk the streets. We do not want to have Canada disgraced with beggars, as we find them in Europe. There is a big problem ahead of us, besides the adjustment of claims and the pensions of the veterans at the present time, and we feel that the organization should be put on a very solid foundation and we should make every effort to preserve our funds and to keep them until the time when they are most needed.

Q. You are a member of the Dominion Veterans' Council?—A. Yes.

Q. You became aware, at some time or other, of the discussion that we have been having about the Order in Council, providing for the loaning of \$15,000, from the Disablement Fund?—A. Yes.

Q. When did you first get to hear of this?—A. Through the letter from the President of the Dominion Veterans' Alliance.

Q. That was the first intimation?—A. Yes.

Q. You have heard what he has to say about it? In the first place, that was your first notification; otherwise you received no notification at all?—A. No.

Q. Do you care to express an opinion as to the justice or the propriety of the observations of Major Taylor, the Dominion President, on the conduct of Mr. MacNeil, in depositing the cheques made out to the Dominion Veterans' Alliance in his own organization. What is your view on that question?—A. Well, I take it that Major Taylor, in expressing himself, said that, no doubt, the funds had been properly spent. I think that is the point.

Q. Yes.—A. I cannot say whether they have been improperly spent or not. I cannot say what has been done with them.

Q. The cheques were made out in favour of the Dominion Veterans' Alliance. Mr. MacNeil endorsed them himself and he took the cheques and put them in the funds of the G.W.V.A. What have you got to say regarding that? What should his proper course have been, in your opinion?—A. I think he should have turned them over to the Treasurer of the Dominion Veterans' Association, and I think he should have communicated with the President.

Q. With a view towards what course?—A. To tell him that the Dominion Veterans' Alliance had been donated the sum of \$10,000, or whatever it is.

Q. You think he had no right to cash the cheque for his own organization?—A. None whatever.

Q. Have you any knowledge of the question of the sale of poppies, that we have been discussing here to-day?

By Hon. Mr. Sharpe:

Q. What action did you take in connection with that, when you became aware of the fact that the \$10,000 had been turned over to Mr. MacNeil? Did you take any action at all?—A. I have known that only about ten days. The only action I have taken is that I have communicated with my Secretary in Toronto, and there was a communication there from the different associations. We got together, at once, and discussed this letter of Mr. Taylor's, and then I heard there was an investigation on here.

Q. Has that not been published for some time?

Hon. Mr. GRIESBACH: It never was published in the press at all; just a little recent publication here and there.

By Hon. Mr. Sharpe:

Q. You have it more than one week then?—A. I got Mr. Taylor's letter like the rest of them. It was sent in a circular letter around to all the organizations.

By the Chairman:

Q. This letter is dated the 17th of April.—A. It must be more than ten days ago. This is the first intimation I had.

Q. The letter is dated the 17th of April. I do not know when it was posted. You did get a copy of that?—A. Yes. I do not think it is more than a month now.

By Hon. Mr. Sharpe:

Q. You did not take any action yet?—A. Only with my own Association.

By Hon. Mr. Griesbach:

Q. The Committee can be called together by the President, I suppose?—A. That is all.

Q. And you are waiting for him to take some action?—A. Yes.

Q. Has your organization any knowledge of the sale of poppies on Armistice Day and all that sort of thing? Have you had any experience with it?—A. I have heard of the methods employed in distributing poppies and the sale of them. I do not altogether approve of the method, but as Mr. McLeod has just said, seeing that nothing was achieved when they were handing bouquets around we merely let the matter go until we could handle it ourselves. We felt, as far as federation affairs in the country were concerned, that as soon as the funds had died out and they were no longer able to pay their officials, that the veterans' organizations would find it necessary to come together in an amalgamation.

Q. You are waiting for the time to come when the Government would stop handing out money to anybody?—A. Yes, and again this is a matter we look upon as just another dose of medicine to keep them alive, and we felt that this just covered our case.

By Hon. Mr. Sharpe:

Q. What do you mean by "another dose"?—A. If an organization found it necessary to get a few thousand dollars to carry on for another year, and the Government handed it out, of course they would say "we would have to wait for another year before that organization is amenable."

Q. What organization is that?—A. The Great War Veterans.

By the Chairman:

Q. Why do you think this is not likely to be carried on or continued for another year in some other way?—A. They have derived funds from various sources; there have been poppy funds and donations from the Canteen Fund; every year there has been some revenue derived to build up their budget, to carry on. Other organizations do not claim to have these funds to carry on with. As far as the contributions of the members themselves is concerned, that has pretty nearly dropped out of sight, and out of the 800 branches of the Great War Veterans which I visited around a bit, it is my impression that there are very few of them paying in any dues to their organization. The organizations are living on what they get from the public and through the Government funds.

By Hon. Mr. Griesbach:

Q. As regards the poppy business, have you any knowledge or experience of the poppy business?—A. The impression has been abroad for a couple of years now that the Great War Veterans were not handling this poppy business for the benefit of their health, as the saying is, but that they must be making something out of it. Now, in Toronto, veteran affairs have got so out of hand that a new organization has sprung up, a veterans' union or a re-union council, and this re-union council has been in touch with the City Council, and they have taken a hand in the poppy day demonstration and different affairs that affect the veterans in general, so that you see in so far as the Dominion Veterans' Alliance is concerned, that that organization was more or less forced on, because the big schools were already getting together to form something of the same kind, and it was done on account of the dissatisfaction in the handling of the poppy drives of the regular forces.

Q. Do you approve or disapprove of the general proposition that any one organization should have a monopoly of handling poppies?—A. I do not think they should, no; unless there is an amalgamation of all veterans. I think I am safe in saying that at the present time in our organizations, there must be 850,000 men and they should have a say in what is going to be done.

Q. You disapprove of any one organization having a monopoly of the sale?—A. Yes.

By Captain Shaw:

Q. In your capacity as a representative of your organization, the Dominion Veterans' Alliance, I suppose you would have some opportunity of observing the work carried on by Mr. MacNeil and by the Great War Veterans' Association?—A. I have given it a little study, yes.

Q. Would you agree with the commendatory words of the President, Major Taylor, as to the character and nature of that work carried on?—A. I will agree that the Great War Veterans have, in the years that they have been operating, handled a great many of these service cases. I will also agree that they are perhaps the largest organization in existence to-day, although they would, in my opinion, not represent any more than five per cent of the veterans of Canada at the present time. Major Taylor, in expressing himself in his letter, would probably express himself pretty much the same as I am doing myself, that is, not to inflict any hardship on a comrade. I think he implies that there is an offer made but at the same time he is asking for leniency.

Q. If one wants to judge the whole transaction, this \$10,000 transaction, you would agree that he would have to have full and complete knowledge of all the facts. You agree with that?—A. Yes.

Q. And that one must not judge merely by the fact that the cheque is endorsed by Mr. MacNeil, apparently without authority. I mean that these facts of themselves would not be adequate upon which you could form a judgment?—A. I am not passing judgment. For instance, I am one of the ten that sat around the Dominion Veterans Alliance table. I know nothing about it. The President, in his letter, indicates that he knows nothing about it or any other members of the Association know nothing about it, so it seems to me to be a one-man transaction.

Q. Did the Dominion Veterans' Alliance make any application to the Minister for any moneys?—A. Not that I know of.

Q. Your judgment is based upon the President's letter?—A. Yes.

Q. In the second place the Dominion Veterans Alliance has no service bureau and had conducted none?—A. It was not the intention.

Q. The other facts which are clear are that Mr. MacNeil, on behalf of the Great War Veterans Association, made application to the Minister for a sum of money. He received an account of that—first of all I should tell you that,

according to the evidence so far, the Minister had notified him that \$10,000 would be available for that purpose and that subsequently the Great War Veterans Association was paid \$5,000.

Hon. Mr. SHARPE: For what purpose?

Captain SHAW: For the service bureau.

Hon. Mr. SHARPE: The G.W.V.A.?

Captain SHAW: Yes, for the purpose of carrying on their service bureau.

Hon. Mr. GRIESBACH: Not their service bureau.

Captain SHAW: I think so.

Hon. Mr. GRIESBACH: No.

Captain SHAW: I refer to the letter that Mr. MacNeil wrote the Minister. The service bureau was carried on by the G.W.V.A., for the benefit of all soldiers. In any event the loan was made on the application of the G.W.V.A., and not on the application of any other organization. The Minister, according to the evidence—and I am only going by the evidence, so far—the Minister notified Mr. MacNeil by telephone that that \$15,000 would be available for the purpose; \$5,000 was actually paid, and subsequently two cheques of \$5,000 each were issued by the trustee in favour of the Dominion Veterans Alliance, which had no organization, which made no application, which had nothing to do with the transaction at all.

Hon. Mr. GRIESBACH: Just complete the statement from the evidence that is before us. Do you not think it should state what Mr. Scammell said. Mr. Scammell said he went to the Minister. He said, "Look here, you are going to have some applications from other soldier organizations. I suggest you refuse to give the loan to the G.W.V.A.; you make a loan to the Dominion Veterans Alliance." Thereupon the Minister concurred and thereupon the Order-in-Council was issued and worded accordingly.

Captain SHAW: As Senator Griesbach says, the Assistant Deputy Minister told the Minister that the balance of the money should go to the Dominion Veterans Alliance and then I presume, the Minister must have known that the Dominion Veterans Alliance had no organization, and made no application.

Hon. Mr. GRIESBACH: I dare say the Minister did not know.

Captain SHAW: I do not blame the Minister for not knowing. These officers could not have known about the Dominion Veterans Alliance, and the fact that it made no application, the fact that it had no organization. Now, I say too, that this information was not communicated to Mr. MacNeil. I just wonder what your judgment would be if, under these circumstances, making the application itself, not advised of the reason for the change or anything else, why would not he presume that the money was intended for him.

The CHAIRMAN: I am objecting to the picture that you have drawn. You have left out of the picture something very important. The witness ought to know this, that when the cheque came to Mr. MacNeil, Mr. MacNeil went to the Department with a view of having the cheque changed so that he might cash it, and his request was refused.

Captain SHAW: Mr. MacNeil understood the money was for the G.W.V.A. The cheque was for the Dominion Veterans Alliance. He asked Mr. Scammell to change the cheque. Mr. Scammell refused and suggested that Mr. MacNeil himself, as the proper officer of the organization, should endorse it; that there

was an Order in Council which was not produced for Mr. MacNeil's benefit. The Order in Council provided that the money should go to the Dominion Veterans' Alliance. That is the fact, as I understand it, but perhaps a man who was interested in soldier affairs might draw a different judgment. However, I think I am not justified in asking you your judgment in any way.

The CHAIRMAN: I am inclined to agree with you.

By Captain Shaw:

Q. One other question: Will you agree with me that, so far as soldier affairs in Canada are concerned, no one could have been more able and more energetic in the interests of Canadian soldiers than Mr. MacNeil?—A. I will agree that he had possibly been the hardest working man available in the service, and what remuneration he got for that, I do not know. It has always been my point that, as long as we had paid officials, we would have men who were energetic in keeping their jobs, but we felt, as far as amalgamation was concerned, that it was the paid officials in the different organizations that were holding up soldier affairs.

Q. Would you be prepared to say that in your judgment he was not an able and efficient advocate of soldier affairs?—A. He fixed things pretty much for his own association. That is what I found all the way through.

Q. They are the organization who paid him and to whom his first duty would be?—A. At every meeting we attended, every resolution that was put forward was always re-drafted to fit into his resolution.

Q. In your observation and judgment would you say that he was an able and efficient and energetic official?—A. Yes, he worked hard.

The Committee adjourned until 2.30 o'clock, p.m.

The Committee resumed at 2.30 o'clock, p.m., Honourable Mr. Belcourt, the Chairman, presiding.

The CHAIRMAN: Gentlemen, I have a letter from Mr. MacNeil, addressed to myself, dated June 8, which I will read to you:—

OTTAWA, ONT., June 8, 1925.

Hon. N. A. BELCOURT, K.C., LL.M., LL.D., P.C.,

Chairman, Special Committee of the Senate on Canteen Funds, etc.,
Ottawa, Ont.

SIR,—I beg to request that the Special Committee of the Senate, appointed to enquire into matters relating to advances from the Canteen Funds, Disablement Fund, and sale of poppies, issue a summons to Mr. Eli Spencer, Past President of the Manitoba Provincial Command, G.W.V.A., and for 5 years, Chairman of the Finance Committee, Manitoba Provincial Command, G.W.V.A.

During the proceedings of your Committee, on the 4th inst., statements were placed on record which brought the Manitoba administration of the Poppy Day Fund under question. A statutory declaration and resolution were filed with the Committee, which accused the officials of the Manitoba Provincial Command, G.W.V.A. of improper action with regard to arrangements for the distribution and sale of poppies, manufactured by the Department of Soldiers' Civil Re-establishment.

I am now advised by the Manitoba Provincial Command that Mr. Spencer, himself a member of the legal profession, is prepared to leave immediately for Ottawa, and to make available for the Committee all records of the Manitoba Provincial office, G.W.V.A., and a complete audited statement of transactions with regard to the sale of poppies. I would submit to the Committee that Mr. Spencer's appearance before the Committee, on behalf of this Provincial Command would facilitate the investigation and disclose evidence, which cannot be tendered by this office.

If the suggestion meets with your approval, I shall be very glad to take immediate action with regard thereto.

I am, sir, yours faithfully,

(Sgd.) C. G. MACNEIL,
Dominion Secretary-Treasurer,
G.W.V.A. of Canada.

Now, I think, I would like to suggest to the Committee that it does not seem to me to be absolutely necessary to have this gentleman come all the way from Winnipeg to be heard. If he will send the Committee a completed audit of the matter, I believe the Committee would have all that it requires, that then it would be time enough to send for this gentleman to come here, if we decide upon calling him. What do you say to that, Captain Shaw?

Captain SHAW: I would suggest to you that the gentleman have an opportunity of putting in a statutory declaration in answer to the one already put in, and the Committee could determine whether it is necessary to call him.

The CHAIRMAN: If that is the sense of the Committee the Clerk may wire to Mr. Spencer that he need not come, but that the Committee wishes to be furnished, as soon as possible, with a detailed statement.

Hon. Mr. GRIESBACH: I suppose Captain Shaw might concur in the framing of the message.

The CHAIRMAN: Can you add anything to that?

Captain SHAW: Nothing, except that he should be furnished with the affidavit already filed, in order that he should have an opportunity of replying by way of an affidavit.

The CHAIRMAN: We might say in the telegram that the Committee also desire him to make a declaration.

Captain SHAW: I would suggest the following:—

Copy of the affidavit filed with the Committee has been forwarded to you. The Committee request you file a statutory declaration in answer to this affidavit.

Hon. Mr. GRIESBACH: When you are framing the telegram bear in mind that the operations cover two years, 1923 and 1924.

Captain SHAW: Yes. Very well.

The CHAIRMAN: Mr. Hinds will frame the telegram and give it to me, and the Committee can pass on it finally.

Captain SHAW: I would like to say that I undertook, the other day, to have produced copies of the articles in 'The Veteran, which were written by Mr. March and which were asked to be filed by Senator Griesbach.

Hon. Mr. GRIESBACH: I did not ask to have them filed. I accept the statement that he had written the article that was published.

Captain SHAW: Probably it was Mr. Chairman. I have forgotten who it was.

H. COLEBOURNE, Dominion Secretary-Treasurer, Army and Navy Veterans in Canada, Ottawa, appeared as a witness, and, having been duly sworn, testified as follows:—

By Hon. Mr. Griesbach:

Q. You are the Dominion Secretary of the Army and Navy Veterans?—A. Yes.

Q. Where are your headquarters?—A. Ottawa.

Q. Since how long a time?—A. Since February 15 of this year.

Q. Are you a member of the Dominion Veterans' Alliance?—A. Yes.

Q. What is your appointment?—A. I am a member of the council; also a member of the Dominion Legislative Committee.

Q. With respect to sums of money paid your organization from the Canteen Fund, have you filed a statement of your expenditures?—A. I have.

Q. Have you anything to say with regard to vouchers, auditing, etc.?—A. For the information of the Committee I would like to read the statement. (Reads):—

THE ARMY AND NAVY VETERANS IN CANADA

CANTEEN FUNDS INTEREST

Received from the Government Trustees by Sir Hugh J. Macdonald and Major F. G. Taylor, K.C., D.S.O., Trustees of the Army and Navy Fund under P.C. 3647. 24th September, 1921..	\$12,500 00
Received under P.C. 3887. 3rd October, 1921..	6,000 00
	\$18,500 00

For disbursements see statements enclosed.

Vouchers for disbursements under P.C. 3647, \$12,500 were forwarded to Major Barnett, Ottawa, Chairman of the Government Trustees. Of this sum there remained on hand \$3,329.13 which was forwarded to the Dominion Secretary of the Army and Navy Veterans in Canada on January 22, 1923, which sum is accounted for on statements enclosed as also a sum of \$6,000 under P.C. 3761 of 3rd October, 1921.

THE ARMY AND NAVY VETERANS IN CANADA,
(SGD.) H. COLEBOURNE,
Dominion Secretary-treasurer.

CANTEEN FUNDS, INTEREST

Total amount received under P.C. Orders..	\$18,500 00
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EXPENDITURE—RECAPITULATION

Disbursements to units for unemployment and sick relief (Statement A)	\$ 8,850 00
Expenses Dominion Veterans' Alliance (Statement B)	2,442 53
Expenses Conventions (Statement C)	2,340 32
Transferred to General Fund (Statement D)	1,750 00
Grants to provinces for organization work in addition to sick and unemployment relief as above (Statement E)	1,749 92
Miscellaneous Expenses—Directors and Board Meetings (Statement F)	1,046 44
Disbursements by Trustees at Winnipeg (Statement G)	320 79
	\$18,500 00
Total	

By Hon. Mr. Griesbach:

Q. Who are your trustees at Winnipeg?—A. Sir Hugh J. Macdonald and Major F. G. Taylor.

I have a letter from the D.S.C.R., dated June 1, 1925, which reads as follows:—

DEPARTMENT OF SOLDIERS' CIVIL RE-ESTABLISHMENT
DEPUTY MINISTER'S OFFICE,

OTTAWA, June 1, 1925.

Expenditure by Army and Navy Veterans in Canada, from Canteen Funds Interest Under Orders in Council, P.C. 3647

P.C. 3761 and P.C. 3887.

DEAR CAPTAIN COLEBOURNE,—This is to acknowledge receipt of your full statement of expenditure as made by your Association from the funds provided under the above noted Orders in Council in the total amount of \$18,500; being \$12,500 expended under P.C. 3647 and P.C. 3761, and \$6,000, expended under P.C. 3887. I also acknowledge in this connection vouchers covering certain of these expenditures as shown by your cheques numbered from 20 onward, and in addition paid cheques in this connection. I understand from you that vouchers covering expenditure made under cheques numbered 1 to 19 inclusive have already been placed in the hands of Mr. Cox, a Trustee appointed under the orders in Council above noted.

While I was not a member of the Board of Trustees appointed under P.C. 3887, I am accepting from you delivery of vouchers mentioned herein which will be available for the inspection of any member of the other Board or the Government as required. In addition I would point out to you that these vouchers will be available for your personal inspection at any time in future you may desire to see them.

Yours sincerely,

(Signed) N. F. PARKINSON,
Deputy Minister.

H. COLEBOURNE, Esq.,
Dominion Secretary-Treasurer,
Army and Navy Veterans in Canada,
Ottawa, Ont.

By Hon. Mr. Griesbach:

Q. You are familiar with the discussion that has taken place in regard to the loan from the Disablement Fund?—A. Yes.

Q. Prior to your coming here, prior to the removal of your headquarters here, where were your headquarters?—A. On Bishop Street, Montreal.

Q. For some years before that?—A. For two or three years prior to that at Winnipeg.

Q. When did you first receive information as to the cheque for \$10,000 having been made out to the Dominion Alliance?—A. The first intimation I received was just prior to the meeting of the Legislative Committee of the Dominion Veterans' Alliance—it would be in March of this year.

Q. Prior to or subsequent to the discussion in the House of Commons on the same question?—A. Just prior to, I think it was.

Q. Just prior?—A. I am not so sure about that. I think it was just prior to that.

Q. You learned of this transaction at that time, for the first time?—A. Yes.

Q. What, in your judgment, was the course Mr. MacNeil should have adopted, on receipt of these cheques, in favour of the Dominion Veterans' Alliance?—A. I think they should have been forwarded in the first instance to the Treasurer of the Association, Captain H. H. A. Jones, who was appointed Treasurer at our Council Meeting, in Ottawa, in November, 1923.

Q. Has he, in point of fact, since functioned as a Treasurer?—A. Yes.

Q. Received money and disbursed the same?—A. Yes.

Q. Treasurer of the Dominion Veterans' Alliance?—A. Yes.

Q. You probably received a copy of the letter from Mr. Taylor, the Treasurer of the Dominion Veterans' Alliance, in which he expresses certain views and opinions, as to the propriety?—A. It was a letter addressed to all the associations constituent to the Alliance.

Q. You received it in due course?—A. Yes.

Q. As a member of that Committee will you tell the Committee what your views are as to the propriety of Major Taylor's letter?—A. Major Taylor, in his letter, I believe, stated the facts as he knew them, and before writing that letter he had the advantage of an interview with my President, Mr. Browne-Wilkinson, Winnipeg, who happened to be in Ottawa, at the time we held our legislative meeting, at the time this matter was presented; so he would have an opportunity of discussing it with Mr. Browne-Wilkinson and I understand he also discussed it with two members of the Great War Veterans' Association, who were present in Ottawa.

Q. As a member of that Committee yourself, did you approve of Major Taylor's action and the action he recommended being taken?—A. I quite approve of this suggestion.

Q. Passing from that to the matter of the sale of poppies, have you any knowledge or experience of the matters under discussion, that is to say, the exclusive privilege of the Great War Veterans' Association, such as it was, and their conduct of the sale through their branches and so forth? Have you any personal knowledge of that?—A. Well, the whole question of poppy day and the distribution of poppies came up at the Convention in Ottawa, in November, 1923.

Q. That was not in the Convention?—A. It was a meeting of the Council.

Q. A meeting of the Council of the Dominion Veterans' Alliance?—A. Yes, more or less a Convention, because we met yearly, and that was a yearly meeting; and there was a resolution passed, or perhaps we had better say, a notation made on the Minutes of the meeting, which I heard read.

Q. That is what we have already in?—A. Yes. That is what we have already in. Since then we have had a Convention of our own in Winnipeg, in 1924, last year, when this matter was discussed generally. Mr. Browne-Wilkinson, my President and myself were appointed a sub-committee to go into this matter thoroughly and report at our next Convention, which will be held in Regina later in the year, probably in September. I have had one complaint from

Winnipeg, from the Council, dealing with this fund, or at least from a member of the Council of the Army and Navy Veterans, who was sitting on that General Council, and in consequence of that letter I saw the D.S.C.R. and I satisfied myself that there was no monopoly, as has been alleged, that the resources of the D.S.C.R. were available to all organizations who were willing to pay the price quoted by the D.S.C.R. and also willing to come to a proper financial arrangement with the Department for payment, in connection with those poppies.

Q. What is your own opinion as to the propriety of any one organization having a monopoly?—A. I do not think it is right.

Q. What is your opinion of any one organization making a profit on the sale of these poppies?—A. There may be a small profit for distribution; say, a headquarters profit.

Q. An incidental profit?—A. An incidental profit, but not to the extent of the profit that has been made. I have copies of invoices which I received from Winnipeg.

Q. Received from whom?—A. From this Committee in Winnipeg; invoices rendered by the G.W.V.A. Provincial Command.

Q. You had better file them then?—A. Yes, I will do so.

(Invoices from G.W.V.A., Manitoba Provincial Command, for poppies supplied in 1923 and 1924, fyled and marked Exhibits 9 and 10.)

I am dealing with the 1923 Poppy Day, Manitoba Provincial Command; 50,000 poppies at five cents each.

Q. What is that per thousand?—A. That is \$15 per thousand, charged by the D.S.C.R.

Q. There is an invoice from the Provincial Command of the G.W.V.A., Winnipeg?—A. Yes.

Q. They are charging how much?—A. They are charging five cents per poppy.

Q. How much is that per thousand?—A. Well, that would be \$50 per thousand.

Q. That is what I want to get. Yes, go on.—A. Large poppies, the D.S.C.R. charged the G.W.V.A., \$77, per thousand. That is my information.

Q. Yes.—A. \$77 per thousand. The Manitoba Provincial Command, the G.W.V.A., charged fifteen cents per poppy.

Q. How much is that per thousand?—A. This is how it works out: The D.S.C.R.'s original price is \$77 per thousand. Before the large poppies go on the streets there is an indebtedness incurred of \$150 per thousand for the large poppies, so there is the difference between \$77 per thousand, D.S.C.R. and \$150 per thousand to this Committee.

Q. That account is filed?—A. Yes. Dealing with the account of 1924, there is a drop in the small poppies to four cents but the large poppies remain the same.

Q. To four cents a poppy?—A. \$40 a thousand.

Q. And the other poppies?—A. The other poppies are the same as before, \$77 per thousand, D.S.C.R. price; \$150 per thousand, G.W.V.A., Manitoba Provincial Command price.

Q. Have you any further statements or invoices?—A. There are just one or two small items: "Evergreen Wreaths, with small poppies, \$2; Cycas spray, \$2.50; Large poppy wreath, \$2.75." The total account, as rendered by the G.W.V.A., Manitoba Provincial Command, was \$3,437.50; in 1923, it was \$3,521.25.

Q. That invoice is filed?—A. Yes.

By the Chairman:

Q. Was the account rendered paid or is it still pending?—A. That, I cannot answer. There is a gentleman here from Winnipeg, who was on this particular Committee, and he may later on be able to give you any further information.

Q. What is his name?—A. Palmer.

Q. That is all I have to ask the witness.—A. I would like to say, in view of certain statements that have been made, in connection with this expense of the Dominion Veterans' Alliance, it was stated the other day it was a sum of about \$19,000, which, I think, Mr. MacNeil said would be increased to \$25,000. That is not an obligation on the associations forming that alliance. As a matter of fact, I would like to quote from Mr. MacNeil's own words in that regard. Mr. MacNeil, in his report states that the only expenditure incurred by the Alliance has been that of stenographic expenses, etc., of council meetings, that have been defrayed from the pool formed for the purpose, and an accounting thereon will be reported upon by the Treasurer. Then, I would like to read the letter from the Treasurer to the Executive of the Dominion Veterans' Alliance at the formal meeting of the Executive, in 1922, wherein it is stated that a deficit was reported of \$45, on account of cost of reporting proceedings of Convention held in Winnipeg, in February, 1922. On motion, it was decided to make a levy—etc.

By Captain Shaw:

Q. Mr. Colebourne, you received from the Government, \$18,500?—A. Yes.

Q. Under the Orders which you have mentioned?—A. Yes.

Q. Twelve thousand five hundred was paid to you directly for the purpose of meeting any relief work among unemployed returned soldiers residing in Canada?—A. Yes.

Q. And that the remaining \$6,000, was paid to you under this trust arrangement?

That all awards from the said trust fund be devoted expressly for the purpose of general information and service work, relief work in special cases, organization enabling effective co-operation with National, Provincial and Municipal interests to cope with unemployment conditions among ex-service men and dependents and such organization development and maintenance, as may be required for the welfare of ex-service men and dependents.

A. Was that the original Order in Council?

Q. No, I am reading from the second one, the \$6,000 one.—A. The second one, out of the terms of the first, made it an open door, practically.

Q. I read to you the trust agreement referred to. The first was unemployment; the second was under the terms I have mentioned?—A. Yes.

Q. There are three Orders in Council?—A. Yes. There are two Orders, dealing with \$12,500 and one dealing with \$6,000.

Q. Is this an audited statement that you produce?—A. Yes, it is a statement that has been given to the Government.

Q. Is it audited by your auditor?—A. It has been submitted to our Convention, each Convention, and approved by our Ways and Means Committee. We dealt with it as a special account.

Q. This statement is audited on June 1, this year?—A. Yes.

Q. So I take it, that whatever accounting you have made to the Government with regard to this \$18,500, has been since this investigation began?—A. No. That is a statement as far back as the 12th of October, 1922, signed by Mr. Cox, Secretary of the Canteen Interest Fund, acknowledging receipt of the money.

Q. Your report to Mr. Parkinson, I take it, was made on June 1, this year?—A. Yes, it is a complete report and goes right back.

Q. I observe of this amount, some, almost \$8,000, has been incurred for this purpose: Expense, Dominion Veterans' Alliance, \$2,442. Expense of Convention, \$2,340; transferred to general fund, \$1,750; Miscellaneous expenses, Board of Directors' Board Meeting, \$104; disbursements by Trustees, \$379; so

that the returned soldiers got the benefit of approximately \$10,000?—A. \$10,600, and of that \$10,600, really \$9,000 for unemployment relief. That was the original intention of the original Order in Council.

Q. Do you say that this Dominion Veterans' Alliance had any obligations or financial transactions other than the one that was referred to this morning?—A. I do not know of any.

Q. Do you know why the Great War Veterans' Association, in connection with that Alliance, not only paid all the subsequent expenses, stenography, etc., and paid the expenses of the bulletin service, and whatever expenses were incurred in the organization of Provincial Councils of the Dominion Veterans' Alliance?—A. That I do not know. I have no information.

Q. You have no special knowledge of that matter?—A. No.

Q. Now, I suppose, that this information which you got with regard to poppies is some information that has come to you second hand?—A. It has come to me as Secretary of the Army and Navy Veterans.

Q. From whom?—A. From a member of that Committee, the Central Committee, at Winnipeg.

Q. Then, I take it, Mr. Colebourne, that Mr. Spencer, of Winnipeg, who has already made an application before the Committee, which should be undoubtedly heard, would be able to give full and direct information in connection with the matter?—A. I think so, yes.

Q. So that we would not have to rely on any second-hand information?—A. No, but I would suggest that it might be advisable to call the present Chairman of that Committee. As was previously suggested, get a statutory declaration from him, if you like.

Q. Did you have an opportunity, or did your organization have an opportunity of getting any of this poppy fund money? I am told an opportunity was afforded to you but you did not feel, or your officers did not feel that they had a nation wide organization, to arrange the distribution?—A. No, we did not think it part of our duty, as headquarters, to go into that. We looked upon it as a matter of detail.

WHITEFORD STEWART DOBBS, Superintendent, Employment Service, Toronto, appeared, as a witness, and having been duly sworn, testified as follows:—

By Hon. Mr. Griesbach:

Q. What is your position?—A. I am a member of the Dominion Command of the Amputation Association and President of the Toronto Branch.

Q. Have you anything to do with the Dominion Veterans' Alliance?—A. No. We had an invitation to join the Dominion Veterans' Alliance, and we sent two delegates to two meetings, and after considerable discussion we decided we would not take part in the Dominion Veterans' Alliance.

Q. What was your reason?—A. Because they were a paper organization; they had no constitution and they were not really functioning in the way they were intended to function, when it was first organized.

Q. Have you any interest in the administration of the disablement fund?—A. As disabled men, yes, very much so.

Q. Have you any opinion to express as to making loans from the disablement fund, such as we have been hearing about?—A. As a member of the Amputation Association, I know of ten cases which could do with a small amount of the money that has been paid over at the present time.

Q. I am asking you to express your opinion?—A. My opinion is that the money should be used for the purpose for which it was indicated, that is, for the alleviation of the distress of ex-service men, not to be paid to any ex-service organization.

Q. Do you know anything about the poppy business?—A. A little bit, through the Veterans Re-union Council, in Toronto. I wish to correct an impression of Colonel Clark's here. The Veterans Re-union Council as organized in Toronto, constitutes representatives of every ex-service organization, and has been in existence for about five years. The original purpose was to organize the veterans for "Warriors Day", which is the opening day of the Canadian National Exposition. Since then their functions have broadened out, and they have taken in a little bit of this and a little bit of that, and last year they attempted to take over the control of Poppy Day and administer the fund. After considerable opposition a compromise was effected, whereby fifteen members were appointed into a special committee, eight of which were members of the G.W.V.A., and that Committee administered the fund. I understand that the Dominion Command of the G.W.V.A., at a Convention, I think, in Vancouver, in 1923, attempted to copyright the poppy.

Q. Who did?—A. There was a resolution to that effect at the Dominion Convention of the G.W.V.A., I think, in Vancouver, in 1923. We opposed this and took the matter up with the Secretary of State and organized the Imperial Order of the Daughters of the Empire, in support of our contention, against the copyrighting of the poppy for any one organization.

Q. What opinion have you to express as to the propriety of any one organization having a monopoly?—A. The poppy, as I understand it, symbolizes the men who died in France. As such, the poppy should not, in my mind, be commercialized for any purpose, for any organization, but should be used for the purpose of alleviating the distress of the ex-members of the C.E.F.

E. S. B. HIND, recalled.

By Hon. Mr. Griesbach:

Q. We have already had some evidence from you?—A. Yes.

Q. You have already told us that you are not any longer the Secretary of the Tubercular Association?—A. The Tuberculous Veterans' Association. I want to tell the Committee why I cannot say authoritatively that I am no longer the Dominion Secretary-Treasurer.

Q. Can you say it briefly?—A. I might say, through this matter that has occurred, there are five branches which are supporting me, and the others are supporting the President of this Association, so the Association has been practically split in half, through the use which Mr. MacNeil made of cheques, which were made out in the name of the Dominion Veterans' Alliance. I think I should tell you that I was Hon. President and was in no way interested in any funds that might come to the Association.

Q. The purpose of the Association has been to look after the tuberculous?—A. Yes. The Royal Commission, in speaking of this Association, does so in the following terms, "no group presented its claims more effectively or thoroughly than the tuberculous veterans. The evidence as to the difficulties under which they laboured and the redress claimed, was substantially the same at every session where their representatives appeared. Close association of the tuberculous over a long period of time while undergoing treatment, Provincial organizations between which a constant interchange of views takes place, and a Dominion Convention held in August, 1922, has permitted a survey of individual opinion which is practically complete. They have apparently a large and efficient organization and had selected, for the purpose of presenting their arguments, members fully informed on the subjects which they discussed and capable of presenting their facts in a most convincing manner. Tuberculous pensions form the largest of any group of a total of 43,289 pensions, 4,962, or

11.4 per cent of the total, are awarded on account of tuberculosis. This large percentage would alone indicate the importance, from a pension standpoint, of this disease, but it is further emphasized by the high percentage of pension necessarily awarded, which is, on the average, 70 per cent."

By the Chairman:

Q. We assume you did all you could, the best way you could?—A. You are asking for the membership of this Association, as to who they are and what they are.

Q. Why go into that? The Committee will assume that you have done all you could have done and you did it in a proper way.—A. On page 58, Sessional Paper 203A, will be found the remarks of the Royal Commission.

Q. What is the membership of your organization?—A. The membership fluctuates. Our membership varies.

Q. That is the way in every one of these institutions. What is the membership?—A. It might run around three thousand.

By Hon. Mr. Griesbach:

Q. Are you a member of the Dominion Veterans' Council?—A. Yes, sir, I was.

Q. And you are still, are you?—A. I was, ex-officio. I have never been relieved of the duty. Automatically I cease to be, if I cease to be Secretary-Treasurer.

Q. You live in Ottawa?—A. Yes, sir.

Q. And you had an office in the Great War Veterans' office?—A. I did.

Q. Under the terms you have described?—A. Owing to the inability of this Association to carry out the mandate that they gave me at the last Convention, held in 1923, we entered into a contract with the G.W.V.A., whereby they rendered us certain service for a certain stipulated sum of money.

Q. My point is that your office was Mr. MacNeil's office, to all intents and purposes?—A. Yes.

Q. When did you first hear of the matter of two cheques of \$5,000 each?—A. I heard last fall that the Great War Veterans' Association were attempting to get some money from the disablement fund. I heard it in the form of a rumour. I never received any direct evidence of it but I heard they were endeavouring to get money from that source. The first time I had definite evidence of it was just prior to a meeting of the Dominion Veterans' Alliance Legislative Committee, held on or about the 2nd of March.

By the Chairman:

Q. Was it dealt with, at that time?—A. Oh! yes.

Q. What was said?—A. Not at this first meeting, but at a meeting three or four days afterwards, a representative of another association came in and he read the Order-in-Council, in which it was set forth that the \$15,000 loan was made to the Dominion Veterans' Alliance, of which the Tuberculous Veterans' Association was a constituent part.

Q. Was there any further action taken?—A. The statement was made there—There was considerable discussion as to the manner in which this loan had been used, as the propriety of Mr. MacNeil having converted that money to the use of the Great War Veterans' Association.

Q. Did the meeting take any action?—A. No, the meeting did not take any action, except that individually they indicated their disapproval of it.

By Hon. Mr. Griesbach:

Q. What is your opinion of this matter?—A. What is my opinion?

Q. I want you to give me your opinion of the facts as you heard them, and the final details, after the cheques were made out.—A. Well, I had the Order in Council before me.

Q. What is your view of Mr. MacNeil's action?—A. He converted funds intended for the headquarters of his own association. I stated, as a constituent part of the Dominion Alliance, that the funds of the Association were likely involved, that if the trustee should institute proceedings against the Dominion Alliance, that the Veterans' Association may garnishee. I believe, in the first instance, the trustee's action would be against the bank, and on the other hand, the bank would have recourse against the constituent parts of the Alliance.

Q. Did any one else express the same opinion?—A. Yes.

Q. Who?—A. There was a lawyer there, Major Browne-Wilkinson, who expressed such an opinion. I felt I was protecting my association, in refusing to have anything to do with that. A statement was made that the Dominion Alliance was a paper organization. It may be that it was a paper organization, but it was not referred to as a paper organization when it was desired to use it for any purpose. The Dominion Alliance was to advance economic union, and another purpose of the Alliance was to bring about unanimity in legislative aim, such as had received the approval of the various organizations, and thereby avoid conflicting evidence and placing an unnecessary burden on those who were obliged to hear that evidence. The statement was made that there was not a proper officer to receive the fund. Had any funds been sent to the Dominion Alliance, I most decidedly would have remitted them to Captain H. H. A. Jones, in Winnipeg, who was, in my opinion, the proper party to handle money of the Dominion Alliance.

By the Chairman:

Q. Were you a member of the Dominion Alliance?—A. I sat on the council, as a representative in one instance, ex-officio, and in another instance, by proxy. This question came up here as to poppies. In conversation with officers of the G. W. V. A., I gained the impression that the G. W. V. A. was obliged to either to pay for these poppies in advance or to provide a bond or guarantee to the S. C. R. that they would be properly reimbursed for the poppies, and that the distribution of them involved some considerable expense. I understood they were chosen because their organization covered all Canada to a greater extent perhaps, than other organizations. I would like to make an observation on this question: In all the Provinces of Canada you have established what are known as units of the D. S. C. R., and there is not any real reason in my opinion, why the units of the D. S. C. R. should not be the means of distributing the poppies Provincially, and no reason in the world why all the ex-service men's organizations, if they are properly qualified to meet the requirements of the municipalities in which tag days are held should not be charged with the duty of distributing the poppies. You have to protect them in some way from some definite loss. Anybody who does that distribution is entitled to be reimbursed for that distribution, but in order to insure that the distribution is done, in an economical manner, I say that the units of the S. C. R. are the proper mediums.

Q. What do you say as to the general proposition of profit being made out of the handling of it?—A. I say decidedly not; there should not be a profit out of it. If you collect money for a specific purpose, I say you should use it for that purpose, and the purpose of these poppies is to provide for local assistance to ex-service men. The profits from that should not go to an organization. There was a question as to how you are going to accomplish that. What I understand you to mean is, do I approve of the principle of taking a profit, with an organization getting a monopoly, or getting authority to act as sole distributor for the poppies and then taking a profit. No, I do not approve of that. I had the S. C. R. books on the morning of June 4. Mr. Shaw sought to show that the payment of money to the D. V. A.—

Captain SHAW: I do not know that the witness is here for the purpose of giving expert opinion on what I said or what anybody else said.

The WITNESS: (Continuing)—was due to confusion in the minds of the S. C. R. officials, to a difference between the officials of the G. W. V. A. and the D. V. A. I think Mr. Shaw made that suggestion.

By Captain Shaw:

Q. That is right.—A. I have had some correspondence with the Minister on that subject, and I might say that the correspondence originated last year, but to deal with correspondence of recent date, I would tell this Committee that I wrote a letter to the Hon. H. S. Béland, for the purposes of record.

Q. For the purposes of what?—A. For the purposes of record. I said:—

Branches of the Tuberculous Veterans' Association have requested me to furnish them with information on two points:—

(1) Was the loan of \$15,000 from the Disablement Fund, sanctioned by you, and to which organization was the loan made, the Great War Veterans' Association or the Dominion Veterans' Alliance?

(2) Did you on March 24, in the House of Commons, or elsewhere, state that the Dominion Veterans' Alliance endorsed the use by the Great War Veterans' Association of the loan from the Disablement Fund?

In answer to a request made in the Senate, on the 30th day of April, 1925, by Hon. Mr. Griesbach, Hon. Mr. Dandurand said:—

I have an answer to the question asked yesterday by the Hon. gentleman from Edmonton (Hon. Mr. Griesbach) concerning the Disablement Fund. The answer is in the following terms: The application for a loan from the Disablement Fund was made by Mr. MacNeil in favour of the Great War Veterans Association.

The Minister suggested that the loan be made to the Dominion Veterans Alliance, which was in his opinion a body representing all the veterans organizations.

And the Order in Council is to that effect, if I am not mistaken.

There we have it definitely stated what the minister's opinion was. When the Minister says "a body representing all veterans associations," he was perfectly right in his conception. I do not say it covered all veteran organizations but it covered six of them. I notice in the press an account was given of this matter, but I do not think the account was right.

By Captain Shaw:

Q. You are speaking on your own behalf and not on behalf of the Tuberculous Veterans Association?—A. Well, I do not know that you are altogether correct in that, although I appreciate what you mean.

Q. Will you tell me whether or not, Mr. Hind, you were discharged from that organization?—A. Yes, but if I have to tell you that, sir, I will tell you the circumstances.

Q. I ask you yes or no.—A. That resulted over the action of this cheque and the misrepresentations that were made.

Q. Are you acting for yourself and giving evidence for yourself or are you giving it on behalf of the Tuberculous Association?—A. I am giving it on behalf of a minority of the Tuberculosis Association.

Q. So you are not speaking with authority for the whole of the association? There are some fourteen locals in Canada.—A. Twelve locals.

Q. You were speaking on behalf of two of them?—A. I would be speaking on behalf of five of them.

Q. You have gone with great care to argue before this Committee that the Minister and the Deputy did know all about this particular organization. Had you occasion to look into the letter written by Mr. Scammell to the Minister, in answer to his request for an inquiry?—A. Sessional Paper 126.

Q. The letter in which the Deputy Minister set out the purposes of the Disablement Fund and the whole story?

Hon. Mr. GRIESBACH: Is that a return?

Captain SHAW: Not as far as I know. It may be.

By Captain Shaw:

Q. Referring to the three cheques, totalling \$5,000 these cheques were made payable, as in the case of the 1923 advance, to the Great War Veterans Alliance. Will you tell me what the Great War Veterans Alliance is?—A. No, I could not tell you what the Great War Veterans Alliance is.

Q. So, perhaps you can say at the time the Deputy Minister wrote this, he was not perfectly clear in his mind as to the organization he had in mind?—A. The Minister was perfectly fair though. I interviewed the Minister to ascertain whether he was clear in that connection.

Q. Why were you interviewing the Minister?—A. I went to the Minister for various purposes. In the first place I took up—

Q. Why did you interview the Minister in connection with this matter?—A. I went to the Minister to provide him with a copy of Major Taylor's statement and I ascertained—

Q. Will you tell me why you went to the trouble to provide the Minister with the statement of Major Taylor?—A. Yes. Because I thought his confidence had been abused, that decency required that he should be informed.

Q. What is your occupation?—A. My occupation is that of Civil Servant, which appears to be a matter of great interest to people in the Great War Veterans Association.

Q. Do you run around with the Minister during the terms of your employment in the Civil Service?—A. I do not, unless I get permission to do so or when I am on statutory leave.

Q. Did you do so in connection with these matters?—A. I did not do so except in my own time.

Q. You thought it was necessary to put the G.W.V.A. in wrong in connection with this matter?—A. No. I thought it was necessary to protect the good name of the soldiers' organizations in so far as it was my duty to do so.

Q. You have also felt it your duty to preserve the interests of the returned soldiers generally? You constituted yourself their representative for that purpose?—A. Yes.

Q. These facts, about all these cheques, are not in your exclusive possession, are they?—A. I presume they are not in my exclusive possession. I acted on information which I had, which was sufficient. I went and saw the cheques, I saw copies of the cheques.

Q. By what authority were they granted to you?—A. By the authority that I claimed our association was involved in this transaction. I had a right to see those cheques and by courtesy the copies were shown to me.

Q. I suppose these documents from which you read were all public documents. They were not for your exclusive information?—A. The letter which I filed from the Minister was sent out on the date indicated. The Minister's letter which is here was dated April 22nd. I might say that the President took an action that he legally was not entitled to, and he directed the mail of the Tuberculous Association to be sent to the G.W.V.A. box.

Q. There is controversy between you and some of the branches of the Association?—A. Now, you raise this question; we are dealing with the letter. I had interviewed the Minister and got a copy of the letter. Another letter written to me by the Minister went to Regina. Nobody can explain why it went to Regina, but this letter from the Minister stated that, through our associations, he had no cause for complaint.

Q. Are you constituting yourself prosecutor in this matter?—A. No, I do not think the Committee will permit me to.

Q. I hope not.—A. But I have been very very seriously involved. In order to get away from this impression, that I am going out of my road to show up the deal, I would like to explain to the Committee some of the things that were done to protect my honour. I think I have as much right to consideration as Mr. MacNeil had.

By the Chairman:

Q. It has been said that you were discharged and dismissed and you had not an opportunity of explaining. If you wish to have that opportunity now you may have it.

Captain SHAW: I may say that the President of this Tuberculous Association was here this morning, but he is not able to be here this afternoon, on account of the heat; he had to go home, but we propose to call him here to ventilate the whole matter. If the Committee wants to hear a faction fight, it may do so.

The CHAIRMAN: I think the witness is entitled to explain what is meant by discharge or dismissal and I think he ought to be given an opportunity of explaining that.

By Hon. Mr. Pardee:

Q. You were acting. Why were you let out. Just tell us that?—A. The statements were made—I am going to read the telegram that has been probably responsible for the action on the part of our association. I will not be long.

By the Chairman:

Q. On what grounds were you discharged or dismissed?—A. On the ground that I was supposedly lobbying against a Government measure, and thereby endangering legislation in which the members of the Tuberculous Association were interested.

Q. Was the charge laid formally in writing against you?—A. No, but I have certain telegrams here, and you will determine whether or not they are relevant, bearing out that statement. My President sent the statement out on March 26th, and I want to explain to the Committee how I was acting and why. This is my authority for acting, to protect the interests of the Association, in connection with the Canteen Fund.

Q. I think it would be much more easy to tell us the grounds on which you were discharged or dismissed.

Hon. Mr. PARDEE: That is very relevant.

The WITNESS: Carrying out the instructions I had correspondence on July 16th, 1924, with the Hon. H. S. Béland. This obviously displeased Mr. MacNeil; however, the action of the Senate prevented the Canteen Fund Bill then before Parliament from becoming law, I believe. Early this March, as a representative of the T.V.A., I appeared at several meetings of the Legislative Committee of the Dominion Veterans' Alliance, without any agreement being arrived at in relation to Bill 32, which is now before the Senate for consideration; finally a copy of P.C. 1596, dated September 16th, 1924, was read by the representative of one association. I then sent the following telegram to President T. M. Downing:—

OTTAWA, March 3, 1925.

T. M. DOWNING,
11 St. James Place, Winnipeg, Man.

Minnette Central Alberta sent cheques stop other branches not remitted sending fifty to-morrow stop Great War Veterans received

fifteen thousand by Order in Council since June loan against Canteen Fund stop Joining Browne-Wilkinson Army and Navy in opposition funds going to one organization important wire your views.

HIND.

That is the wire I sent to the President.

By Hon. Mr. Griesbach:

Q. You used the term "Canteen Fund," when you should have used "Dis-ablement Fund" there in that wire?—A. Yes, that is right. That is a mistake. I received this wire on March 6, 1925:—

WINNIPEG, MAN., March 6, 1925.

E. H. B. HIND,
Room 47, Citizen Building,
Ottawa, Ont.

Have been in conference Palmer amputations Major Taylor Army and Navy stop suggest take no action canteen fund until I arrive on ninth via Canadian Pacific stop Western deputation Great War Veterans will arrive same date.

DOWNING.

At this stage, Mr. Chairman, I will point out that perfect harmony prevailed amongst the officers of the T.V.A., and I had, as a result of a circular dispatched by the President of the Association, and apparently because I had represented them last year, been appointed Parliamentary representative. On March 9th, the President and two officers from Ontario branches arrived in Ottawa and several conferences were held. On March 13th, a statement was prepared, the intention of which was to absolve C. G. MacNeil from blame for having converted funds, intended for the Dominion Veterans' Alliance, to the G.W.V.A.. This statement was signed only by Dr. Sharpe, President of the G.W.V.A. and T. M. Downing, of the Tuberculous Veterans Association. The signature of the last named was apparently obtained because of representations that unless Mr. MacNeil's action was approved, pension legislation was endangered. When President Downing sought the approval of such directors as were present of his action, I advised them that as the corporation was a corporate body, the matter should be referred to all the directors as it apparently involved the association in liability because the T.V.A. was a constituent part of the Dominion Veterans' Alliance. The following telegram was sent out to all branches by the President of the T.V.A.:

OTTAWA, ONT., March 14, 1925.

Beland and Cabinet interviewed stop agenda drafted by consultation promised favourable consideration stop Hind is a disorganizing force, carrying on independent action stop Ask your authority to replace Hind by Downing as parliamentary representative stop wire urgent stop The Committee consists of Downing President Brockie Montreal Anderson Mowat Hale Byron Gilman and Peachy advisories.

(Sgd.) DOWNING.

Sent Msgs. to following:

Minnette, Man., Robertson, Alta., Victoria, B.C., Kentville, N.S., Port Qu'Appelle, Sask., Tranquille, B.C., Hamilton, Ont., and St. Anne de Bellevue.

I would like to comment on that telegram signed by P. M. Downing, President of the Tuberculous Veterans' Associations, to all the directors of the Tuberculous Veterans' Association. It was re-vamped again that I prepared myself, as a result of a request that had been sent into this office. I then dispatched on the same date the following message to the T.V.A. directors:—

March 14, 1925.

MacNeil placed cheques ten thousand in favour Dominion Veterans Alliance secretly to credit Great War Veterans stop I have joined Army and Navy amputations and Imperials in protest stop Fear Downing Hale and Brockie supporting Great War Veterans kill our separate existence stop Do you desire my resignation stop I am hundred per cent T.V.A. and refuse to hand over funds to Gilman Great War employee stop Representatives here insist I sign cheques on demand Downing without references branches stop Wire reply.

HIND,

Dominion Secretary-Treasurer.

I sent out the telegram myself. My attitude was that the truth should go out, and it was then for the directors to decide what they wanted to do.

By Hon. Mr. Pardee:

Q. Who did you send this to?—A. To all the directors of the Association. "I have joined Army and Navy Amputations and Imperials in protest. Fear Downing, Hale and Brockie supporting Great War Veterans kill our separate existence stop. Do you desire my resignation stop. I am hundred per cent T.V.A. and refuse to hand over funds to Gilman, Great War employee stop Representatives here insist that I sign cheques on demand Downing without reference branches stop. Wire reply." They tell me this statement is false. I do not know wherein it is false, except in the matters relating to our own association, and I do not think there is anything false about it. That explains the remark in the telegram to which they take exception. I do not think there is any necessity to comment on it further. The following day President Downing sent out the following message to the directors:—

"Consultation demands Hind's resignation as Secretary-Treasurer. His telegrams absolute fabrication stop. Evade publication at all costs stop. Our associations independence or funds not involved stop. If you do not concur in his dismissal adjustment and legislative service in jeopardy stop. Wire reply immediately.

DOWNING,

On March 16, the following message was sent:—

March 16, 1925.

Funds all association in danger garnishee suggest you communicate Taylor, President Dominion Veterans Alliance, Parliament Buildings, Winnipeg stop. Ignore any statement that I have resigned unless confirmed in writing stop. Co-operation impossible great War Influence Convention on record our association maintain separate office. We have funds for six months stop. More promised. Strongly against union with Great War if we lose identity all right Canteen Funds gone.

HIND,

Dominion Secretary-Treasurer.

I was going to read, in the first instance, the resolution providing for our separation, recording this association as separate from the G.W.V.A. and so it was objected to and I did not do so. On March 17, there was a further telegram from Downing to Major Taylor, Marlborough Hill, Winnipeg. I wired to Major Taylor as follows:—

F. G. TAYLOR,
President Dominion Veterans Alliance,
Parliament Buildings, Winnipeg, Man.

OTTAWA, March 17, 1925.

Behalf Tuberculous Veterans Association I advised branches Canteen situation stating in full action MacNeil stop President Downing signed

white-wash statement I opposed asked branches get in touch with you stop Advise me your news action past and future.

HIND,

Dominion Secretary-Treasurer, T.V.A.

On the same date, T. M. Downing wired Major Taylor, as follows:—

OTTAWA, March 17, 1925.

Major F. G. TAYLOR,
Marlborough Hotel, Winnipeg.

Pending report Dominion Veterans Alliance sub-committee authorized to interview you regarding canteen fund bill would request you make no report to any branches of T.V.A. stop Situation made awkward by unauthorized action our Secretary-Treasurer now under suspension.

T. M. DOWNING.

On March 17 the following wire was sent:—

OTTAWA, March 17, 1925.

Hind refused acknowledge dismissal. Stop. Has threatened legal action stop Is still carrying on independent action which will kill association unless forced to stop (stop) Require executive definitely state immediately if they concur in action taken stop. If this is not done Dominion Conference only solution stop Wire reply immediately.

DOWNING.

Sent to following:—

Portsmouth, Ont.; Hamilton, Ont.; Tranquille, B.C.; Robertson, Alta.; Port Qu'Appelle, Sask.; Minnette, Man.; Hamilton, Ont.; Kentville, N.S.; Tranquille, B.C.; Gravenhurst, Ont.; St. Anne de Bellevue, Que.; Victoria, B.C.; and Toronto, Ont.

By Captain Shaw:

Q. Where would you get that telegram from?—A. Do I need to answer these questions, Mr. Chairman?

The CHAIRMAN: I do not know. What is the object?

The WITNESS: I was Secretary-Treasurer of the Tuberculous Association. I was in position to get telegrams sent out on behalf of the Tuberculous Association. I want to draw attention—Mr. Palmer, of the Amputation Association is here. I do not know whether there was any consultation in Winnipeg or not. His name was introduced in the question, as to what occurred at that Committee. He may be able to tell the Committee.

By Captain Shaw:

Q. Some of these telegrams indicate that you followed a course independently, unapproved of by the general body, and you were asked to resign?—A. No. I was acting under the only authority that existed. The meeting to which he makes reference, of two or three directors coming to Ottawa, is irregularly called.

Q. The reason for your being dispensed with was because you were following a course which did not meet with their approval?—A. Yes. My relationship with Hon. Mr. Béland was the very best. I had a letter from him setting forth particulars in this matter, and it was written in May. That is the letter that went to Regina and I did not get possession of it until May.

Q. You have had your innings?—A. I think I have had my innings. I think if there are any questions the gentleman wants to ask me, I can answer them. There is another thing I would like to file. As President of my Associa-

tion—because I am an officer—as an officer of this Association I was endeavouring to do what I conceived to be my duty. I went over to a firm of lawyers, and I had an interview for an hour and a half, an interesting interview, and I would like to file the letter which shows the practices which were adopted. The letter is from T. A. Beament, a lawyer in this city.

By Hon. Mr. Pardee:

Q. What does it say?

The CHAIRMAN: I will read it: Letter from T. A. Beament to Stanley Hind, *re* disclosing information with regard to affairs of G.W.V.A.:—

OTTAWA, CANADA, June 6, 1925.

STANLEY HIND, Esq.,
91 Charlotte St., Ottawa.

DEAR SIR,—In reference to the conversation which I had with Mr. Downing recently while I cannot remember his exact words he stated that you had been giving out information with regard to the affairs of the Great War Veterans Association to members of the Dominion Opposition and that this was known to a number of the members of the Tubercular Veterans Association who were inclined to bring the matter before the Minister of your Department which would no doubt result in your dismissal from your civil service position. He said that he personally was opposed to taking such action but that unless you concurred in his views with regard to your resignation without further delay that he would not continue in his effort to prevent such matter being brought before your Minister which he said would of course be very unfortunate for you.

The foregoing set forth the gist of what he stated to me.

Yours truly,

T. A. BEAMENT.

The WITNESS: There is also a circular here. I want to say for myself that this is a circular sent out by the G.W.V.A., in which they say that this organization, with every other organization, are engaged in a conspiracy. If anybody is engaged in a conspiracy I have a pretty fair idea in which direction it is.

The CHAIRMAN: I do not think that is relevant. I think you have explained the matter thoroughly and I do not think you can go in to it.

The WITNESS: It was a circular that was sent out by the G.W.V.A.

ARNOLD PALMER, Assistant Weather Observer, Member of Poppy Day Committee, Winnipeg, Manitoba, appeared as a witness, and having been duly sworn, testified as follows:—

By Hon. Mr. Griesbach:

Q. You have heard something about the discussion regarding the sale of poppies. Will you tell us what you know about the poppy transactions in Winnipeg?—A. The way the committee is formed in Winnipeg is that it is comprised of two representatives from each organization, who form a general poppy day committee. That is the name of the committee, known as "Poppy Day Committee." That committee takes in charge the handling and the sale of all poppies, through their representatives there.

By the Chairman:

Q. Is that with regard to Winnipeg only?—A. Yes, that is all I can speak of; there having been representatives there for the three years that I have been

on the Committee, from the G.W.V.A., from the Army and Navy Veterans, the G.A.U.V., the Naval Veterans, the War Widows; that is about all, I think. The Committee takes over the handling of all provisions for the buying of poppies. It also takes over all the ladies auxiliaries of these organizations, which they form into a sub-committee for the sale of these poppies.

By Hon. Mr. Griesbach:

Q. By tagging on the streets?—A. Yes. Up to the date of the meeting, which was held last Thursday night, which I happened to be brought in to, I did not know where the poppies came from originally. At that time a discussion arose as to the cost of poppies, and it was brought out that some information had been given to one of the members present that poppies could be bought for less than they had previously been bought for. Last year we paid \$40 a thousand.

Q. To whom?—A. The G.W.V.A., through their Provincial Command. That came out in the statement at that particular meeting. I did not know until that particular meeting that they were bought through the G.W.V.A. command. I only knew that they were manufactured by outside people, and that is all that concerned me; and the meeting got into somewhat of a turmoil, owing to the fact that they were being bought in this way. The suggestion was made that they could not be bought in any other way, that they had to be bought from the same source as that from which they had been previously bought, and that the price would be the same. I, myself, took the stand in view of the fact that new prices had been introduced, we should have more information on this.

Q. Was there an increasing price?—A. No, there was no increasing price; it was a decrease; where we had been paying forty dollars, the statement had been made that we could get them direct from the D.S.C.R. in Toronto at \$15 a thousand. That caused a turmoil as to whether we should buy them or not, and as I say, suggestions were thrown out that we could not buy them through any other source.

Q. What do you mean by "any other source"?—A. Only through the same source from which we had previously got them.

Q. Name it.—A. The G.W.V.A. Provincial Command. When it came out that we could, there was a resolution before the Committee and I moved an amendment to that part of the resolution to the effect that we leave the matter over for two weeks. I thought we should get some correspondence on it, to find out whether there was any truth in the statement that we had to buy them from the Provincial Command of the G.W.V.A., and I was quite in favour, that if we could get them for less, we should get them for less. The amendment failed and the resolution passed that we should buy them from this source.

Q. You were telling about the meeting that was held to discuss poppy arrangement for the coming year?—A. Yes.

Q. And at this meeting somebody—did you say "a man" or did you name somebody or did you speak of a source again, put some action before the committee as to the buying of the poppies?—A. Yes, the representative of the Army and Navy, whose name is Macfarlane, said he had certain correspondence with the D.S.C.R., that the poppies could be bought cheaper than from the G.W.V.A.

Q. Did he name the price?—A. \$15 a thousand.

Q. Why was there turmoil? Because they heard that?—A. It was a suggestion brought up and it did create a turmoil. The representatives of the G.W.V.A. were three in number at that particular meeting—I mean to say apart from the appointed representatives, but the Secretaries of organizations acted ex officio. The G.W.V.A. took the stand that we could not take action on that and that we should not take action on that.

Q. Why?—A. They stated that the control was in their hands and that they would continue to control it. I might say it went so far as to have them state that they would file a caveat even if we attempted to get them from another source.

Q. And there the matter rests?—A. And there the matter rests.

By the Chairman:

Q. Was this at the last meeting, last Thursday evening?—A. Yes.

Q. Did you ever deal with the matter before that?—A. No, we rested quite content with the fact that things were going on all right.

Q. You never dealt with it before last Thursday?—A. No.

Q. There was something said this morning by a witness. The amount was given, I think, I forget the amount.—A. The year before last it was \$50 a thousand.

HON. MR. GRIESBACH: The declaration was \$50 a thousand, for small poppies, last year.

The WITNESS: Last year they were put up to us in thousand lots, \$50 a thousand.

By the Chairman:

Q. You bought poppies for two years in succession?—A. Yes.

Q. Did you pay any amount at all either year for poppies. If you can tell me the amount I would like to have it. Here is the official badge, G.W.V.A., Manitoba Provincial Command:—

Supplied to Joint Veterans' Poppy Day Committee: sixty thousand small poppies at four cents, \$2,400; Six thousand large poppies at 15 cents, \$900; Evergreen wreath, with small poppies, \$2; Cycas spray, \$2.50 and fifty large poppy wreaths, \$2.75, \$137.50, making a total of \$3,437.50.

That was for 1924. Did you pay the G.W.V.A. this sum of \$3,437.50?—A. Yes.

Q. The year before, 1923, 50,000 small poppies at five cents, \$2,500; sixty-one hundred and fifty large poppies at fifteen cents, \$922.50; evergreen wreath with small poppies, \$2.25; \$11.25; poppy wreath with leaves, \$2.50, \$87.50; Cycas leaf and poppy decorations, none bought. The total is \$3,521.25, the total paid to the G.W.V.A.?—A. Yes.

Mr. McLEOD (G.A.U.V.): The circular that was referred to here by the previous witness, as it concerns the Grand Army of United Veterans and other associations, I think, is very relevant to this inquiry, and will show just why this inquiry has been instituted, to a certain extent. With your permission I should like to read it for the benefit of the Committee. It is a two page circular.

Captain SHAW: He will have to establish that it came from the G.W.V.A. first. The meeting you speak about was held at Winnipeg last Thursday?

Mr. McLEOD: Yes.

Captain SHAW: Was Mr. Spencer there?

Mr. PALMER: No.

Captain SHAW: Did you call up Mr. Spencer and inquire from him?

Mr. PALMER: No, Mr. Spencer lives out in the country. He never attended a Poppy Day Committee meeting.

Captain SHAW: Would he know any of the facts?

Mr. PALMER: I am doubtful whether any person would know Mr. Spencer, apart from the G.W.V.A. delegation.

Captain SHAW: You got the poppies from the Provincial Command?

Mr. PALMER: Yes.

Captain SHAW: And the Provincial Command would get them from the Dominion Command.

Mr. PALMER: Yes.

Captain SHAW: Your complaint is that the price at which you bought them was too high as compared with the price paid to the disablement veterans?

Mr. PALMER: Yes.

Captain SHAW: You used those poppies on tag days?

Mr. PALMER: Yes.

Captain SHAW: The moneys you got, after payment to the Provincial Command of the G.W.V.A. was divided up amongst the various organizations, who shared the tag day activities?

Mr. PALMER: No, it goes into one fund, known as the Poppy Day Fund.

The CHAIRMAN: There is a link missing here. This is an account between the Provincial Command and the Joint Veteran Poppy Day Committee of Winnipeg. I think the Committee would like to know what was the account which the G.W.V.A. rendered to the Manitoba Provincial Command.

Mr. PALMER: If you would let us know the particular date we could probably get it for you. This is the Poppy Day of 1924.

Mr. McLEOD: This is a multigraphed circular letter on the stationery of the Great War Veterans' Association, Dominion Command, sent out to the branches of the Association and signed by the Secretary of the Great War Veterans' Association.

Captain SHAW: That does not prove anything.

Hon. Mr. GRIESBACH: Mr. MacNeil can identify it. He may identify whether it is a circular sent out by his office.

Mr. MACNEIL (G.W.V.A.): Yes, this letter was dispatched from our office.

Circular letter to branches of the Great War Veteran's Association, filed as Exhibit 11.

Mr. McLEOD: The first paragraph deals with a resume of the activities of the Dominion Command.

The CHAIRMAN: What is the date of the letter?

Mr. McLEOD: Ottawa, May 26th, 1925.

The CHAIRMAN: Addressed to whom?

Mr. McLEOD: It is addressed to the branches of the Association.

The CHAIRMAN: Signed by whom?

Mr. McLEOD: By Mr. MacNeil, Secretary. While we may not have gone out of our way to woo any particular association with open arms, yet we have maintained that position of what might be termed neutrality, and are prepared to be on amicable terms with all associations; therefore, when a statement is made and sent out broadcast to hurt the Grand Army, I want to say that we want to repudiate that, that it is not according to the facts of the case, and being a member of the Amputation Association, we, at no time would allow ourselves to conspire with anybody to hurt a soldier organization, and we would like it clearly understood that we have had no dealings with anybody that would suggest conspiracy or anything of the kind.

Mr. HIND: I want to say, on behalf of myself and the branches of the Tuberculous Association that still impose confidence in me, that there has been no conspiracy or no intention of conspiracy. I might say for the information of the Committee that the T.V.A. are excepted in the classification.

Mr. CLARKE (Canadian Legion): I think, on behalf of the Legion of Canada, I might state that there is dissension among the different organizations and that we have a task of blending this veteran cause together into one unit, and I do not think we are trying to bring them together on unfriendly terms, because, after all, every man who served in the war should be a member of the Canadian Legion.

Mr. COLEBOURNE (Army and Navy Veterans): I wish to state to this Committee, on behalf of the Army and Navy Veterans of Canada, that there has been nothing in the nature of a conspiracy in connection with any of our actions. We have always done what we could for our association. We are proud of it. It is the oldest association in Canada; it is sixty years old, and never at any time have we resorted to any such means in connection with soldiers' legislation or anything else.

TUESDAY, June 9, 1925.

Hon. Mr. Belcourt in the chair.

THOMAS MATTHEW DOWNING, pensioner, President, Tuberculous Veterans' Association, was called as a witness, and having been duly sworn, testified as follows:—

I understand that our late Dominion Secretary-Treasurer, Mr. Hind, was on the stand yesterday afternoon, but I did not have the opportunity of being up here to hear what he had to say. He made some statements about our Association and his connection with it. I am sorry to take up the Committee's time, but having two witnesses here from our Association, apparently Mr. Hind was not representing the majority of our Association. I have telegrams and letters from nine of our branches authorizing me to act on their behalf before any Parliamentary or Senate Committee: Fort Q'Appelle, Sask., Mr. Johnson; Ninnette, Manitoba, John Mack; Toronto, W. B. Sanders; Montreal, J. D. Brockie and R. G. Halfide; Victoria, B.C., Mr. Harrison; Tranquille, B.C., J. R. Piper; Byron, Ont., R. Hale; Portsmouth, Ont., Hugh M. Anderson; Hamilton, Ont., Alfred S. Blake.

By the Chairman:

Q. How many branches are there altogether?—A. Thirteen. I would like to explain our Association.

Q. Have you special instructions in regard to your testimony here?—A. Yes. There are certain things I would like to bring out, in regard to Mr. Hind saying certain things.

Q. Where are your written instructions?—A. I have my instructions from my Dominion Vice-President, dated May 29.

The WITNESS (After reading letter of instructions): I have telegrams from the various points and branches I have mentioned.

By the Chairman:

Q. Now what have you to say?—A. The Association, previous to 1921, carried on in different sanatoria in Canada under the name of the Dominion Soldiers' Welfare League. There were branches of this league in different sanatoria. In 1921 a convention was called in Winnipeg, at which the Tuberculous Veterans' Association was formed by representatives of those different leagues. At that time the Association had no funds to carry on adjustment service, or headquarters anywhere. The convention of the G.W.V.A. was held in Port Arthur about the same time, and they invited representatives to attend their convention, and two representatives were sent, and an agreement was entered into whereby the G.W.V.A. would pay all our secretarial services and carry on our adjustment work for us in order to help out our Association. This was carried on till August, 1923, but on account of no finances and other reasons the G.W.V.A. could not carry on any longer. A Dominion conference of our Association was held in Ottawa, and it was decided then that we should carry on a separate office. However, funds were not forthcoming to do this at quite an expense, and the Association has never received moneys. Later on, last spring, an agreement was entered into with the G.W.V.A. that they would carry on and do our adjustment services. This agreement I might read; it is addressed to me from Comrade C. G. MacNeil.

By Hon. Mr. Griesbach:

Q. Could you not tell us what it is?—A. It is an agreement whereby we pay the G.W.V.A. \$150 per month.

Q. We have that in evidence yesterday?—A. There were certain assertions made yesterday in regard to our position with the G.W.V.A.; I would like to clear that up.

Captain SHAW: Any matters relating to the dispute with Mr. Hind are absolutely immaterial to this inquiry.

The CHAIRMAN: I have tried to keep out all immaterial matter that I could.

Captain SHAW: The only thing that the witness feels is that his organization has been put in an unfavourable light, and he wishes to explain the situation.

The CHAIRMAN: Yes, and what I am trying to do is to get the explanation, but to keep out lengthy documents if they can be summarized in two or three phrases.

Hon. Mr. GRIESBACH: Mr. Hind stated that there was an agreement by which they paid \$150 per month between certain dates.

The WITNESS: It was made perfectly clear in the agreement that the G.W.V.A. would not interfere in any way with the policy of our Association, and this agreement has been carried out to the letter, and the agreement is still in force.

The CHAIRMAN: Mr. Hind is clearly quarreling with your Association, but this Committee was not appointed for the purpose of hearing all that, so please do not refer to the quarrel, for it is not going to affect this Committee in the slightest.

The WITNESS: But Mr. Hind submitted certain evidence yesterday, I understand, from which the Committee may be led to believe certain things, and our Association wished to have evidence submitted.

The CHAIRMAN: The only part of the evidence that had any bearing at all was given with reference to those two cheques of \$5,000 each, which were issued to the Alliance and which went into the treasury of the G.W.V.A.; if you have anything to say about that we would be glad to hear it.

The WITNESS: In March of this year a conference was called in Ottawa of our Association, and they were unanimous, with the exception of the Dominion Secretary-Treasurer, that the moneys had been received, had been well spent, and the Association decided to take no action in the matter at all; they were perfectly satisfied with the transaction.

By the Chairman:

Q. That is, your own Association?—A. That is our Association, and at that time wires were dispatched and received by different branches authorizing the immediate dismissal of the Dominion Treasurer for insubordination, as he refused to act along the lines as instructed by that committee. He refused to resign, and a ballot was sent out, under his signature and mine—a joint letter—and the ballot came back favouring Hind's dismissal. Still Mr. Hind refuses to resign, and he is still carrying on under the name of the Tuberculous Veterans' Association, which he has no right to do. He is still holding the books, though his dismissal took effect the 25th of May. The branches were all supporting the Consultation Committee in this regard.

Q. Have you any resolution or anything on record with regard to this money, this \$10,000?—A. I have not got it here, but I can table it; I have the resolution of the Consultation Committee about March 12 of this year.

Q. What is the nature of it?—A. The effect of the resolution was that the Consultation Committee were unanimous that the money had been received and well spent, and exonerating Mr. MacNeil from any charges laid against him.

Q. That is rather important; you might see that a certified copy is handed to the clerk and filed?—A. Yes, sir.

Q. Is there anything else you can tell us that is going to help us decide this question which is submitted?—A. The question of an adjustment service has been brought up—the need of an adjustment service.

ERNEST H. SCAMMELL, recalled as a witness, and testified as follows:—

By Captain Shaw:

Q. You have been with the Department since its earliest inception?—A. I have.

Q. I understand that you were with the Hospital Commission from its earliest time?—A. I was.

Q. How long have you known Mr. MacNeil?—A. Since he first came to Ottawa.

The CHAIRMAN: Is this cross-examination, Mr. Shaw? I think it is rather important to know whether you are making him your witness.

Captain SHAW: In these Parliamentary investigations I think there is not very much appearance of forms of law. I understood Mr. Scammell was called on behalf of General Griesbach.

Hon. Mr. GRIESBACH: Yes; I called him.

Captain SHAW: I do not think it makes any difference, Mr. Chairman.

By Captain Shaw:

Q. You say you have known Mr. MacNeil since he came to Ottawa?—A. I think it was in 1919, the early part.

Q. As an officer of the Department, and closely in touch with soldiers' affairs, of course you know that Mr. MacNeil has presented the views of ex-soldiers before Parliamentary Committees practically from the inception of pension legislation?—A. No, since his arrival in Ottawa. The inception of pension legislation goes back to 1916—three years before Mr. MacNeil came to Ottawa.

Q. Since he came to Ottawa he has presented to Parliamentary Committees, both House of Commons and Senate Committees, the views of ex-soldiers in regard to pension legislation?—A. Yes.

Q. And you know that he was selected by the veterans organizations to present the soldiers' case before the Ralston Commission in 1922 and 1923?—A. That was my understanding.

Q. Is there any doubt in your own mind as to the ability and the efficiency and energy of Mr. MacNeil in connection with his duties?—A. Not the slightest.

Q. That, I think, we can assume?

The CHAIRMAN: Captain Shaw, why go into this? Now, let us have an understanding. To me it is absolutely irregular and immaterial. Nobody has attacked Mr. MacNeil. The Committee has made no charge against him. We have not had referred to us any charge against Mr. MacNeil.

Captain SHAW: I am trying to define, out of its haze and mist, as best I can, exactly the issue that is involved. I take it that the issue is to be found and the charges are to be found at page 267 of the Senate Debates—if I am wrong I will be glad to be corrected. The charges are contained in a speech, if I may call it, made by Senator Griesbach. Referring to the loan of \$15,000 from the Disablement Fund he said:

I submit that that transaction is without any authority at all.

Now, I take it I have no ground in connection with that matter; I am not concerned with that issue; so then I proceed:—

Mr. MacNeil, who is either Chairman or Secretary of the Dominion Veterans Alliance, and also Secretary of the Great War Veterans Association, took the cheques and converted them to the use of the Great War Veterans' Association.

Now, there is a definite charge which is made, and which this organization is seeking to disapprove.

The CHAIRMAN: I fully agree with you.

Captain SHAW: I suggest that it is material and relevant to know the character of the man who did this fraudulent transaction that is alleged.

The CHAIRMAN: You are asking the witness if he carried on his duties properly. That is not the point at all. We have a specific question referred to us—his actions with regard to this money. His general character, or the general way in which he carried on his duties in his position, is not relevant.

Captain SHAW: With all due deference I submit that where a charge of this character is made the character of the person charged is a very material fact.

Hon. Mr. GRIESBACH: That is, character evidence?

The CHAIRMAN: Let us not argue it any further. We ought to have a decision now as to whether we must go into all these questions.

Hon. Mr. GRIESBACH: I think he should be allowed to proceed, Mr, Chairman, so that there can be no suggestion that we are not prepared to listen to it.

The CHAIRMAN: What does the committee say?

Captain SHAW: I had just about finished.

By Captain Shaw:

Q. Mr. Scammell, you are the trustee of the Disablement Fund, are you not?—A. I am, yes.

Q. That is, I believe, a Fund which is deposited in your own name; can you tell the Committee whether you view your trusteeship as a private or a public trusteeship?—A. I don't quite understand the question.

Q. Do you hold this fund as a private individual, or do you hold it as a public official?—A. Oh, certainly as a public official.

Q. And suppose anything should happen to you, Mr. Scammell, what would happen to the fund?—A. Presumably the Government, through the Minister, or the Minister acting by himself, would appoint another trustee.

Q. The fund is in your own name?—A. The fund is in the name of the Department of Soldiers' Civil Re-establishment Disablement Fund, and the cheques are signed by me. I operate the bank account.

Q. I observed the cheques the other day, and they are signed by you; there was some descriptive title, but the fund was not in the name, as I recollect, of the Disablement Fund, but rather in your own name?—A. The fund is in the name of the Soldiers' Civil Re-establishment Disablement Fund.

Q. Then you sign as an officer of that Department?—A. I sign as trustee of the fund.

Q. Then the Minister has full authority, I take it, to appoint some other as trustee in the event that anything should happen?—A. That question has never arisen.

Q. Were you present when the Minister discussed with Mr. MacNeil his application—that is, Mr. MacNeils' application—for an advance from this Disablement Fund?—A. I do not think so; I have no recollection.

Q. Not on any of the occasions on which the request was made?—A. I should not like to say definitely, but I have no recollection.

Q. That is, whatever interviews were held between the Minister and Mr. MacNeil, so far as you are aware, you were not a party to them?—A. No.

Q. Do you know when the Minister 'phoned to Mr. MacNeil in connection with this matter?—A. No.

Q. You would not overhear or know the import of that conversation, either?—A. I know nothing about a conversation.

Q. The money was advanced for the purposes of an Adjustment Bureau?—A. It was.

Q. And as I understood you the other day, as long as it is used for that particular purpose, as far as you are concerned as trustee, the trust is properly executed?—A. That was my judgment.

Q. We are speaking about an Adjustment Bureau, and sometimes we speak about a Service Bureau; I take it those are interchangeable terms?

The CHAIRMAN: The Bill uses both words—Adjustment Service and Bureau.

By Captain Shaw:

Q. I take it that those terms are used interchangeably, anyway?—A. Oh, practically, yes.

Q. And the object of such a Bureau, I take it, would be not only to look after pension cases but generally all rehabilitation matters, on behalf of soldiers?—A. My understanding was that it would deal with any cases which had to be taken up with the Department of Soldiers' Civil Re-establishment or the Board of Pension Commissioners.

Q. Or, take, for instance, the matter of soldiers' land settlement; would that come within the category?—A. Yes, presumably.

Q. I notice in the Ralston Commission report there are some other matters suggested, all rehabilitation matters; then I suggest that generally all matters affecting returned soldiers would be properly the sphere of consideration or action by the Adjustment or Service Bureau?—A. Not unless they had to deal with Departments of the Government.

Q. Now, you know of this organization known as the Dominion Veterans Alliance?—A. Certainly.

Q. And you have heard about it for two purposes—for the purpose of bringing about an amalgamation of returned soldiers, and secondly for the purpose of conducting adjustment work?—A. The main purposes.

Q. Did they ever run an adjustment bureau in this city?—A. As separate from the G.W.V.A. you mean, or through the G.W.V.A?

Q. No, did they ever run a Dominion Veterans Alliance Adjustment Bureau?—A. Not directly in that name, but according to my understanding the Dominion Veterans Alliance was represented by the Great War Veterans Association.

Q. So that, really, for adjustment bureau purposes the Dominion Veterans Alliance and the Dominion G.W.V.A. were interchangeable?—A. Not interchangeable, but the G.W.V.A. was acting for the Dominion Veterans Alliance—at least the Secretary of the G.W.V.A. was doing so—let me put it that way.

Q. Was acting for the Dominion Veterans Alliance?—A. Yes.

Q. In adjustment work?—A. In various matters.

Q. I want to confine our attention to adjustment work if we can; so far as you know, if the Dominion Veterans Alliance had an Adjustment Bureau, then that Adjustment Bureau was the G.W.V.A. Adjustment Bureau?—A. It was.

Q. So for these purposes—Adjustment Bureau alone—the Dominion Veterans Alliance and the G.W.V.A. were one and the same thing?—A. No, not one and the same thing at all.

Q. Mind you, I am talking of Adjustment Bureau?—A. No, they were not the same thing. The distinction is a very marked one. The G.W.V.A. is an individual association. The Dominion Veterans Alliance is an organization composed of the Great War Veterans Association and a lot of other associations.

Q. I do not think you understand me; if the Dominion Veterans Alliance had an Adjustment Bureau, then that Adjustment Bureau was the G.W.V.A. Adjustment Bureau?—A. Yes, certainly.

Q. And the personnel of the Bureau must then have been the personnel of the other Adjustment Bureau—they were one and the same?—A. Yes.

Q. They were one and the same thing; what I have said is in fact substantially correct?—A. In other words it is that the Adjustment Bureau of the G.W.V.A. was acting for the Dominion Veterans Alliance—that is what you mean?

Q. No, I would not say that; the G.W.V.A. Adjustment Bureau, so far as we are concerned, so far as information is produced, it shows that it was not

acting as an Adjustment Bureau for the G.W.V.A. at all, because that is expressly precluded by the remarks of the Major here himself; but what I want to get from you is that the personnel of the G.W.V.A. Adjustment Bureau would necessarily be the personnel of any Adjustment Bureau that the Dominion Veterans Alliance may have had—they are one and the same thing, in other words, in the Adjustment Bureau?—A. My understanding was clearly that any Adjustment services conducted by the Dominion Veterans Alliance was conducted through its Secretary, who necessarily utilized the services of the staff which came under him in his capacity as Secretary of the G.W.V.A.

By Hon. Mr. Sharpe:

Q. Did they carry on any of that work at all?—A. Only as they carried it on through the G.W.V.A.

Q. As I understand this matter, the Dominion Veterans' Alliance was formed of all the different Associations?—A. That is my understanding.

Q. And the G.W.V.A. was only part?—A. That is all.

Q. Then why would they carry on the work for all the others?—A. Because Mr. MacNeil was the Secretary of the Dominion Veterans' Alliance, or Chairman of the Legislative Committee of the Dominion Veterans' Alliance, and maintained the only so-called Adjustment Bureau in Ottawa.

By Captain Shaw:

Q. Then one would expect that the Dominion Veterans' Alliance, having this work performed for them, would be called upon and would pay their reasonable proportion of the expenditure incurred?—A. Certainly, one would think so.

Q. But the evidence before us is clearly that they never did, and not only would not, but never intended to?—A. Except, apparently, as to one branch.

Q. What branch is that?—A. The Tuberculous Veterans' Association.

Q. But they had a separate agreement; now, there is no doubt about this—that if there has been an adjustment Bureau or Service Bureau in Ottawa it has been this G.W.V.A. Adjustment Bureau?—A. That is correct.

Q. Now, Mr. Scammell, I would like you to look at the communication which you addressed to the Minister on the 7th of March, 1923—I take it that must be 1925?—A. 1925; that apparently is another error. I will put in a copy of that; it is a full explanation of the whole situation, addressed by me to the Minister.

Memorandum re Disablement Fund, from Mr. Scammell to the Minister, dated March 7th, 1925, filed as Exhibit 12.

Q. I understand that this letter dated 7th March, 1925, to the Minister was provoked by a request made to you by the Minister arising out of a discussion which took place in the House of Commons in March last as to this Disablement Fund?—A. I cannot say that the Minister definitely requested it, but it arose out of a discussion in the House of Commons.

Q. I think he said in April that he would try and get it, and it was subsequently produced?—A. Yes.

Q. I want to direct your attention to paragraph 10, in which you say:—

In May, 1923, I heard a rumour that Sir Arthur Currie had been approached by the Secretary of the Great War Veteran's Association, requesting him to see Mr. Carruthers.

Mr. Carruthers was the donor of a large part of this fund?—A. That is so.

Q. You go on:—

—to see Mr. Carruthers and to arrange, if possible, that the whole of the Disablement Fund should be transferred to that Association. I spoke to Mr. Carruthers on the subject, and found that not only had

representations been made to him by Sir Arthur Currie, but that in view of the statements made that the Disablement Fund was not being used, he thought that this would be a desirable course to follow. I then wrote him on the subject at length, as per the attached a copy, in which I pointed out to him the uses to which the fund was being put, and strongly demurred to any such use of the Fund as was proposed.

I have not seen a copy of the letter you wrote to Mr. Carruthers, but what I want to find out from you is, why did you strongly demur to any use of the Fund—such use as was proposed?—A. For the simple reason that the Fund was then being used very extensively for the purposes for which I considered it was created, and that if the Fund were turned over to the G.W.V.A., as I heard had been suggested, it would be dissipated in the course of a few months, and an exceedingly useful fund would therefore be removed from the charge of the Department.

By Hon. Mr. Robinson:

Q. Do you administer this fund yourself entirely?—A. I do, sir.

By Captain Shaw:

Q. Had this present Committee called upon you for an accounting as to the fund?—A. No.

Hon. Mr. GRIESBACH: The statement is filed.

The WITNESS: I filed the statement.

By Captain Shaw:

Q. But you have not been asked by this Committee for an accounting of the Fund?—A. No.

Hon. Mr. GRIESBACH: You ought to make it clear before you pass on that you had filed a statement of the fund.

The WITNESS: Yes, with the Senate.

Hon. Mr. GRIESBACH: That is the one I filed the other day?

The WITNESS: Yes.

By Captain Shaw:

Q. I asked you if you had been called on for an accounting of the Fund?—A. It would take about three months to prepare it.

Q. In saying that the Fund would be dissipated in a short time, you are not suggesting any improper meaning of the word "dissipated"?—A. I am simply basing it upon the experience of the Canteen Fund, for instance—the amount of money that had gone to the G.W.V.A. from that fund very soon disappeared.

Q. You are not making any reflection in saying that the Fund would be dissipated?—A. Certainly not.

Q. And Mr. Carruthers agreed with your view; now, in reference to paragraph 14 you say:—

In June, 1924, it was intended to make provision in the Canteen Funds Act.

You say Mr. MacNeil approached you, and the Minister asked that an advance payment of \$5,000 be made—

—and it was agreed that this sum should be advanced in order to provide for the maintenance of the service then being given by the Veteran's Alliance.

Was that the initial \$5,000 of this last \$15,000?—A. It was the initial \$5,000 of this last \$15,000.

Q. You say it was agreed with the Minister that \$5,000 was to be advanced to provide for the maintenance of the Service being given by the Veteran's Alliance?—Yes.

Q. Then that cheque should have been made payable to the Veterans' Alliance?—A. Correctly, yes, but at that time I realized that the G.W.V.A. was conducting this work as the representative of the Dominion Veteran's Alliance, and it was intended to repay the amount immediately out of the Canteen Fund money as soon as it became law.

By Hon. Mr. Griesbach:

Q. That is, the Canteen Fund Bill of last year?—A. Yes.

By Captain Shaw:

Q. Do you know the amount which Mr. MacNeil requested from the Minister at the outset?—A. I believe it was \$5,000.

Q. Are you sure that any amount was stipulated, or are you just speaking from information given you by somebody else?—A. I am speaking from information given me by the Minister—or the impression given me by the Minister.

Q. I prefer that you confirm your testimony to just exactly your own knowledge of the matter; so far as you are aware, you are not familiar with the amount for which Mr. MacNeil made application?—A. Mr. MacNeil suggested to the Minister—I presume I may state what the Minister told me?

Q. No.—A. All right, then I cannot answer your question.

Q. You mean it was a conversation between Mr. MacNeil and the Minister?—A. Quite right. Then you cannot question me on it.

Q. Then the intention was that the initial \$5,000 was to be given to the Veteran's Alliance, and it was not given to the Veteran's Alliance, but it was given to the G.W.V.A.; now, you say in that paragraph:—

In September a further request was made to you by Mr. MacNeil, which you discussed with me. I agreed with the propriety of making a further loan for the purpose of maintaining this service.

Now, are you sure that in September Mr. MacNeil made a further request, or was that the information from the Minister, likewise?—A. Certainly it was information from the Minister. How could I get it otherwise?

Q. I did not know but what you were a party to the conversation between the Minister and Mr. MacNeil?—A. I told you just now that I had not been.

Q. So the fact is that you have no personal knowledge as to when Mr. MacNeil made his application, or as to the exact amount for which he applied? I am speaking now of personal knowledge?—A. In other words, do you mean that I was present at the interview?

Q. Yes?—A. I told you just now that I was not present.

Q. Then you cannot tell us, I take it, whether or not Mr. MacNeil made application for an additional sum on behalf of the G.W.V.A. or on behalf of the Dominion Veterans' Alliance?—A. I was not present at the interview.

Q. Then, referring to paragraph 15, you say:—

These cheques were made payable, as in the case of the 1923 advances, to the Great War Veterans' Association. When, however, it transpired that repayment would be delayed and that a further amount was required, I insisted that the payment should be made to the Dominion Veterans' Alliance.

—my copy says Great War Veterans' Alliance, but you assure me that it was Great War Veterans' Association?—A. Yes.

Q. This insistence on your part refers to an insistence you made with the Minister?—A. Yes.

Q. Not with Mr. MacNeil?—A. Oh, no.

Q. What was your reason for insisting in that case?—A. That is a rather difficult question to answer, but possibly an explanation is due. I realized, from the failure of the Canteen Fund Bill to pass the Senate and become law, that there might be, when the Bill came up a second time, some question as to the Great War Veterans handling the moneys—any moneys—from the Disablement Fund. In view, however, of the fact that the Adjustment Bureau or service was being carried on for the benefit of all the veterans united in the Dominion Veterans' Alliance, I put it up strongly to the Minister that we must recognize only the Dominion Veterans' Alliance—the organization which could be recognized by any trustees appointed under the provisions of the Canteen Fund Bill when it became law.

Q. Of course you know, Mr. Scammell, that the G.W.V.A. does not confine its Adjustment or Service work to members of its own organization?—A. I do not think any veterans' organizations do.

Q. I am speaking particularly now of the G.W.V.A.; that is, they invite applications from non-members for assistance, and give them the benefit of their assistance, whatever it may be?—A. Oh, without doubt they do.

Q. But you felt that the payment should be made to the Dominion Veterans' Alliance?—A. Yes.

Q. And apparently the Minister must, at the outset, have had an opposite view until you insisted on it?—A. No, I don't think that he had.

Q. The word "insisted" is perhaps somewhat stronger than the occasion really warranted?—A. It may be.

Q. Because you suggest now that it was a case of mutual agreement between you and the Minister?—A. It was.

Q. And the only suggestion you have to offer for insisting on it was that the matter might be postponed, and in the delay you thought it advisable to make it the Dominion Veterans' Alliance?—A. Yes.

Q. And the Minister left town shortly after this, did he not?—A. Yes.

Q. And went off to Europe?—A. I think so, yes.

Q. And he was absent for some considerable time?—A. He was.

Q. Do you remember about the time he went?—A. About the end of September, I think.

Q. Of course you were anxious to have this adjustment work carried on, were you not—or did you care?—A. Well, I didn't always see the necessity for it, but it was serving a useful purpose.

Q. You were anxious to see it carried on?—A. I was not anxious.

Q. You doubt that it serves a useful purpose?—A. No, I say it served a useful purpose in the main, but there was no anxiety on my part that it should continue.

Q. Then were you reluctant to advance this money?—A. I was.

Q. And it required the insistence of the Minister before you were prepared to advance it?—A. It required some pressure.

Q. Could you have refused to advance the money?—A. Will you refer to the last paragraph in that memorandum of mine to the Minister.

Q. You will probably tell the Committee the import of that?—A. The last paragraph reads as follows:—

Without wishing to escape responsibility in the matter I might perhaps add that as the money was contributed to the Government in 1915, and as my trusteeship of the fund is due to the fact that I was at that time the Secretary of the Military Hospitals Commission and as such Trusteeship has continued by reason of my being an officer of the

Government, I should feel in duty bound to carry out the wishes of the Government, unless these, in my judgment, violated the purposes for which the Fund had been created.

Q. So that, while you had some objection, yet you felt, by reason of your position, the Ministerial view of the matter was paramount, as long as it did not create a violation of the trust?—A. Yes, exactly.

Q. And you thought then, and still think, that the expenditure of those moneys for those purposes was not a violation of the trust?—A. I so stated.

Q. Now I wish you to refer to paragraph 17:—

The wording of the Order in Council appears to be slightly ambiguous, the amount advanced is not \$25,000, but \$15,000.

The copy of the Order in Council which I have shows the amount as \$15,000; I do not understand the significance of this paragraph?—A. If you had been present at the debate in the House of Commons, Captain Shaw, I think you would understand the reason for it. Various members stated that according to their reading of the Order in Council, \$25,000 was advanced.

Q. Was \$25,000 mentioned in the Order in Council?—A. No, but \$15,000 was mentioned, and they understood that the reference to \$10,000 meant \$15,000 plus \$10,000, making a total of \$25,000, and I cleared the matter up in this paragraph.

Q. How could any intelligent man get the idea from the Order in Council that \$15,000 was \$25,000?—A. You will have to wrestle the matter with the members of Parliament who so stated on the floor of the House.

Q. In paragraph 18 you say:—

Like yourself I consider that the Dominion Veterans' Alliance was serving a useful purpose.

Are you speaking there about their Adjustment work, or their efforts at amalgamation and legislative work?—A. I am speaking of their Adjustment work.

Q. But you have already suggested that whatever adjustment work was done by them was done by the G.W.V.A.?—A. Was done through the G.W.V.A.

Q. Now I wish you would turn to the Order in Council, No. 1596, dated September 16, 1924; was that document prepared by you?—A. It was.

Q. And it was prepared by you for the purpose of presentation to the Council, in order that they might take the appropriate action?—A. Yes.

Q. In it you say that the services given involve considerable expenditure; who stated that?—A. Mr. MacNeil.

Q. Stated to you?—A. To the Minister.

Q. You were not there at the time?—A. The Minister is presenting this report.

Q. But you are the man who drafted it up?—A. It may be.

Q. Do you know whether the representations as to the cost of carrying on that service were made by Mr. MacNeil as Secretary of the G.W.V.A. or as Secretary of the Dominion Veterans' Alliance?—A. I cannot say. It is a little difficult to divide them.

Q. But, you see, everybody here is trying to draw a very clear line between the G.W.V.A. and the Dominion Veterans' Alliance; I agree with you that it is difficult to divide them; you say that the reason you said that the Dominion Veterans' Alliance has for some time past maintained a Service Bureau in Ottawa was because you understood that they were carrying on a Service Bureau through the G.W.V.A.?—A. Yes.

Q. And, so far as you were concerned, it was like salvation—it was without money and without price?—A. On that I had no information.

Q. In the sixth paragraph you say that the amount was to be returned under the provisions of that Bill; is that the fact?—A. Well, it is so stated there.

Q. Would you state it if it were not a fact?—A. I say it is stated in the Order in Council, so I think you may take that as correct.

Q. Let me see how this Order in Council was prepared; you say you prepared it, but would you prepare it on instructions from the Minister?—A. After discussion with the Minister.

Q. You would make a memorandum of what his views were, and incorporate them in a minute?—A. Yes.

Q. So then we can say that the entire contents of this minute are really and in effect the Minister's assertions and statements in the matter?—A. They must be, because the Minister presents the report to the Council.

By the Chairman:

Q. He takes the responsibility?—A. He takes the responsibility.

By Captain Shaw:

Q. I know he does, but I am talking about the preparation of it; I want to know whether you can say it is your document, or he can say it is his document; who owns it? I want to find out who is the father of it.

The CHAIRMAN: It is the Minister's speech; it is his document, surely; whoever prepared it does not matter; he takes the responsibility for it.

By Captain Shaw:

Q. He takes the responsibility of it; but suppose there should be in the document some misstatement of fact, I want to know where the misstatement arose—whether it would be a misstatement on the part of the party preparing it, perhaps a misunderstanding on the part of the Minister or on the part of the one giving instructions for its preparation; at any rate, it does appear here that the G.W.V.A. was to be the instrument for the service bureau under the Canteen Fund; now, you say the \$5,000 was paid in connection with the work the G.W.V.A. was doing; is that correct?—A. Yes.

Q. You were glad for the G.W.V.A. to continue this Adjustment Bureau, and granted them \$5,000 in 1924; will you tell me why you required an Order in Council in this case?—A. I desired one.

Q. Why did you desire one?—A. I wanted the Government to take cognizance of the fact that this money was being advanced to the Dominion Veterans' Alliance, so that there would be no question, when the Canteen Fund Bill had become law, that the Disablement Fund would be reimbursed its outlay.

Q. Did you take that precaution in connection with the other advances from the fund?—A. No, because it was intended that they should be repaid immediately.

Q. What do you mean by repaid immediately?—A. I mean immediately. I mean as soon as the money could be provided.

Q. But it was intended to reimburse the fund as soon as this money could be provided out of the Canteen Fund?—A. But there was no legislation then before Parliament.

Q. Parliament was not sitting at that particular time?—A. No.

Q. But you did not know that the Parliament of Canada would pass the necessary legislation, did you? You had no assurance?—A. I had no assurance, no.

Q. Then why did you ask for an Order in Council when part of it was already advanced? Why did you not say to the Minister, "I do not know that this Canteen Fund that you have proposed will go through, and I demand an Order in Council to protect me as trustee?"—A. I rather thought it would have gone through, and then there would be no delay about it.

Q. You did not imagine that Parliament had only one branch, did you?

By the Chairman:

Q. Was your trust at any time specifically defined?—A. Never, sir.

Q. And you did not know whether this was within or without your trust, and you wanted the safer plan?—A. I considered it was within my trust.

Q. But if there was any doubt about it you did not want to assume any responsibility?—A. No, I did not want there to be any chance, if I could avoid it, of the Disablement Fund losing this money.

By Captain Shaw:

Q. The year before you did not require an Order in Council because the Minister said to you, "We will pay it out of the estimates;" and this time you demanded it because you had no assurance that the Canteen Fund Bill would go through?—A. That is the position.

Q. But you had no assurance that the estimates would go through?—A. No, but estimates usually do go through when they are properly explained; and they went through.

Q. So, in your case it was just a question of balancing probabilities, so far as the Order in Council is concerned?

The CHAIRMAN: Captain Shaw, what has that to do with it?

Captain SHAW: It has got something to do with it, all right.

By Captain Shaw:

Q. Did you ever show this Order in Council to Mr. MacNeil?—A. I don't think so.

Q. You have already told us that he asked you to change the cheque?—A. I have said so.

Q. Into the name of the G.W.V.A.?—A. Yes.

Q. And you refused?—A. Yes.

Q. Did he give any reason for wanting it changed to the G.W.V.A.?—A. Yes; I have also set those out, I think, in this memorandum. Perhaps I had better refer to it:—

16. Mr. MacNeil came to see me and stated that the cheque should have been made payable to the G.W.V.A., as otherwise he could not negotiate it. I refused to make any change in the cheque and suggested that he might communicate with the Treasurer of the Alliance if he thought it necessary in order to obtain his endorsement, or if he was authorized to endorse it himself, this would be satisfactory to me.

Q. His recollection of the conversation is somewhat different from yours, but was not the reason given that his organization was the only one carrying on an Adjustment Bureau, and it was in need of money, and that he so stated to the Minister, that he wanted the money?—A. I believe he so stated.

Q. The Minister was away at the time?—A. Yes.

Q. There was no possibility of getting in touch with him, that is so?—A. Perfectly.

Q. You suggested that he endorse the cheque himself as the responsible officer of the Dominion Veterans' Alliance?—A. I said that would be quite satisfactory to me.

By Hon. Mr. Griesbach:

Q. That is not exactly what your statement says.

Captain SHAW: That is what he said the other day.

By Hon. Mr. Griesbach:

Q. But his statement is somewhat different; he says a responsible officer; what did you say?—A. (Reading) "I refused to make any change in the cheque

and suggested that he might communicate with the treasurer of the Alliance if he thought it necessary in order to obtain his endorsement, or if he was authorized to endorse it himself, this would be satisfactory to me."

Q. If he was authorized?—A. I presumed he was.

Q. The suggestion now is, whether he was authorized or not?—A. Oh no.

Captain SHAW: I make the statement that I took down the other day, and I repeated it, and he confirmed it now; I don't want to fiddle around and fool around about words.

By Captain Shaw:

Q. Now, outside of that, you have no information to offer the Committee respecting this fund, outside of the evidence you have given? For example, have you any information with regard to the use of these funds, I mean \$15,000?—A. No, I have none yet.

Q. I understood from the evidence the other day that it was proposed to await the disbursement of the fund, and give you a full statement of it?—A. That is what I asked for in my letters. Those letters were filed by me the other day. The first letter was October 2nd, and the 5th of January, this letter, says:—

This will complete the \$15,000 promised, and it is requested that as soon as the full amount has been expended you will favour me with an itemized statement.

By the Chairman:

Q. You have not got that yet?—A. No, not yet.

By Captain Shaw:

Q. Your suggestion is that as long as the amount is spent for adjustment work, you are satisfied?—A. I shall not be satisfied until I get the money repaid.

Q. That is an obligation of the Parliament of Canada, and not an obligation of the G.W.V.A.; is that not true?—A. This was a loan to the Dominion Veterans' Alliance.

Q. Do you expect to call upon them for repayment? Suppose for the sake of argument that the Government fails to implement its promise?—A. I am not prepared to state what I shall do in that case.

Q. You have not considered that situation?—A. Not sufficiently to answer your question.

By Hon. Mr. Griesbach:

Q. Mr. MacNeil is the Secretary-Treasurer of the Dominion Command of the G.W.V.A.?—A. I understand so.

Q. He is the Secretary of the Dominion Veterans' Alliance?—A. Yes.

Q. And he is the Chairman of the Legislative Committee of the Dominion Veterans' Alliance; now, for the sake of argument, suppose that Mr. MacNeil was not and never had been the Secretary of the Dominion Veterans' Alliance or the Chairman of the Legislative Committee of the Dominion Veterans' Alliance, would you have handed him those two cheques aggregating \$10,000?—A. No, not unless I had been required to do so—which I don't think I should have been.

Q. Then as a matter of fact, because of the offices he held in both associations, he was able to come to you and get from you the cheques for the Dominion Veterans' Alliance?—A. That is so.

Q. For those reasons and for no other reasons?—A. That is so.

By the Chairman:

Q. As a matter of fact, the cheques were vested in Mr. MacNeil as Secretary of the Dominion Alliance, and not as Secretary of the G.W.V.A.?—A. The second and third cheques.

Q. He got those by virtue of his Secretaryship of the Alliance, and not of the Association?—A. Yes. The first letter addressed to him was addressed to him as Chairman of the Dominion Veterans' Alliance; I got rather mixed up between the Chairman of the Legislative Committee and the Secretary. The second cheque I addressed to him as Secretary of the Dominion Veterans' Alliance, making the cheques in each case payable to the Alliance.

By Captain Shaw:

Q. Has any application ever been made to your Department or to you by the Dominion Veterans' Alliance for any part of the Disablement Fund—application in writing or verbally to you?—A. No.

Q. And there is no written application filed in the Department?—A. Not that I am aware of.

Captain SHAW: Mr. March wishes to be heard, as his name was used in connection with articles he wrote for the Veteran, and it was suggested, though not directly, that he had been using his position on the Canadian Press to send information over their wires, while he was being paid by the G.W.V.A. for this particular information.

The CHAIRMAN: We have the fact that the Veteran was published; we are not concerned so much with what was in it. What does the Committee say about hearing Mr. March? (Agreed that Mr. March be heard).

JOHN EDGAR MARCH, newspaper man, Ottawa, appeared as a witness, and, having been duly sworn, testified as follows:

By the Chairman:

Q. You wish to make a statement?—A. Well, I wish to say that while I worked for the Veteran and was paid for that work, that as far as sending out any stuff for the G.W.V.A. in the way of propaganda over the Canadian press wires, I never did any such thing, and it was absolutely impossible that I should have done it; owing to the system in which the Canadian Press Association distributes its news, no propaganda can be put out. That is one of their arrangements, and I wanted to make it clear to the Committee.

Q. What is meant by propaganda?—A. Well, the way I took the evidence, I understood it to mean that I had used my position on the Canadian Press to send out propaganda; in other words, had more or less betrayed my employers—which was absolutely not true. The Canadian Press does not make propaganda for any thing or any person.

Q. What do you understand by propaganda? I have quite a suspicion the other way—that the Canadian Press does carry on propaganda?—A. Well, sir, when I worked on the Canadian Press it was always our boast that we did not, but the other day it was suggested the other way, and it was for that reason that I felt, that when the inference was made, I should make it clear to the Committee that nothing of that kind happened.

Q. If you could have got the articles you wrote for the Veteran published in some other papers, you would have considered that something for the education of the people, and you would have done it?—A. No, I would not have done it.

Q. If you could have got your own stuff taken up by anybody else and given a larger circulation, would you not do it?—A. No. If they wanted to cut it from the Veteran after it had been published, that would have been quite right.

Q. If the articles which you wrote for the Veteran, after appearing in the Veteran, were taken out by the Press Association or anybody else and given a wider circulation, you would not have objected to that?—A. Not a bit, sir, after they had been published.

Q. Would you, or would you not?—A. No, I would not object to it.

Q. You would not only not object, but you would have encouraged it?—A. Yes. Well, I would not have encouraged it, but if anybody had wanted to lift anything after it appeared I would have taken it as a compliment to myself.

Q. Would not that be propaganda?—A. Yes, but not in the certain sense that I understood here. I understood it was said that what I was doing for my employers was propaganda that I did by a direct action.

Q. But you would have done it as you have just told us?—A. There are two distinct propositions. As I take your proposition—

Q. Never mind my proposition—

By Hon. Mr. Sharpe:

Q. Do you control the Canadian Press?—A. No sir, I don't control them at all.

Q. Do you control the articles that go out from here?—A. No; there are two editors between the Press reporter and the writers. That is what I mean when I said it was impossible to get the propaganda out.

By Hon. Mr. Robinson:

Q. Are you a Canadian press reporter?—A. No, not now.

By the Chairman:

Q. You have friends there?—A. Yes, they are good friends of mine. I do work for them yet, and I hope to do so again.

DAVID GALLAUGHER, recalled as a witness, testified as follows:

By Hon. Mr. Griesbach:

Q. We have before us the sheet submitted by yourself—Statement of Receipts and Disbursements showing disposal of Disablement Funds; did you find that this sum of \$15,000 or \$20,000, whichever you accounted for, had been kept in any separate account, or was it also lumped in with general receipts and expenses of the Dominion Command, G.W.V.A.?—A. There was no distinction made, sir, the funds were lumped in with the general funds of the Association.

Q. Have you arrived at these figures in the same manner as you located the Canteen Fund figures?—A. Exactly the same manner.

Q. In what respect does this statement differ from the statement submitted to us by the G.W.V.A. themselves? Do you find any discrepancies there worthy of comment, under the head of General Revenue here, and Special Revenue; then you have before you the statement by the G.W.V.A. themselves showing a concluding figure of \$538,607.05; I do not see the same figure here?—A. This statement was prepared in accordance with the books as I found them. There may be some minor discrepancies.

Q. In the report submitted by the G.W.V.A., the concluding figure is \$538,000, but the surplus as per balance sheet is \$50,000; taking that out the figure is \$484,493; do we find that anywhere on this statement of yours as indicating any inequality in statement, or do we find a difference?—A. There is a difference between the figures which you mention.

Q. Is there any significance to be attached to that, or is it merely a question of arriving at different results?—A. The results are the same in the main.

By the Chairman:

Q. There is a difference of about \$3,000, is there not?—A. I did not attempt to compare.

Q. You have them both before you now?—A. Yes.

Q. I understood there to be a difference of \$3,000—you have \$535,000 in one case, and \$538,000 in the other?—A. Yes, there is a difference of about \$3,000.

Hon. Mr. GRIESBACH: It seems to me, Mr. Chairman, that there is not very much to be said about this. The statement speaks for itself. Mr. MacNeil might like to give evidence as to whether or not he agrees with that statement.

By the Chairman:

Q. I might ask this: the per capita tax means the contribution from members of the Association?—A. Yes, sir.

Mr. SHAW: This is a matter in which the auditor of the Association will have to go over the statement. It involves difficult figures, and he has not been given an opportunity yet.

The CHAIRMAN: For the present you have nothing to ask the witness?

By Captain Shaw:

Q. Mr. Gallagher, in your letter to the Chairman of the Committee, in paragraph 5 you say that you have examined the interim balance sheet of the Association prepared by Mr. Blatch, and that it is in accordance with the accounts; do I understand that you approve of Mr. Blatch's statement in full?—A. I merely make the statement that the statement submitted by Mr. Blatch is in accordance with the accounts—with the records of the Association.

Q. That is, the balance sheet is correct?—A. I have not attempted to place any value on assets.

Q. I understand that, but as far as the bookkeeping entries are concerned, and the ground for it, whatever it is, his statement is correct?—A. It is in accordance with the general ledger of the Association.

Q. I had understood that all moneys that came into the Association went into the bank account; is that correct?—A. Yes.

Q. And that all moneys that went out were paid out by way of cheque?—A. Exactly.

Q. And that the cheques were signed by two officers of the Association, and countersigned by the auditor, who is a chartered accountant, George Blatch; is that correct?—A. That is correct.

By the Chairman:

Q. I understand you to say that Mr. Blatch's report, as far as the items in the books show, is correctly stated in his statement; that is what you mean—that his audit is a proper picture of the books?—A. Subject to a few adjustments, of which I have no record. I think that Mr. Blatch, in rendering his statement, made certain adjustment of his accounts which do not appear on the records of the Association. That is, Mr. Blatch, I take it, has a memorandum of certain minor adjustments which do not affect the accounts in the main at all.

By Hon. Mr. Griesbach:

Q. I understand that you agree with Mr. Blatch that his statement is based on the books?—A. Yes.

Q. But you would not want your certificate to be treated as a statement that you have examined the affairs, and that you found in their statement a surplus of \$50,000, \$25,000 of that consisting of stock in *The Veteran*, and an amount of \$10,000 of debts to the *Veteran*—\$35,000 of the surplus being those two

amounts due to *The Veteran*; your certificate is not intended to convey the idea that you examined this stock and found it worth \$25,000, and that the amounts due to the *Veteran* are worth that value as given here?—A. That is so, exactly.

Q. Your certificate is not to be read as stating that that stock is worth \$25,000?—A. No.

Q. And that those debts are worth \$10,000?—A. No.

By the Chairman:

Q. Your statement is merely that the statement of Mr. Blatch is in accordance with the entries which you found in the books?—A. Yes, sir.

By Captain Shaw:

Q. Did you examine all vouchers?—A. I examined all the vouchers covering the period from July 1, 1921.

Q. But what I mean is, you have here your consolidated revenue expenditure from 1917 to April 30, 1925; did you go into all the vouchers and things of that character in order to satisfy yourself in the matter, or did you only do that for a period of time?—A. I examined those vouchers from the 1st of July, 1921, up to April 30, 1925.

By Hon. Mr. Griesbach:

Q. Mr. Scammell has told us that in the letter which he wrote to Mr. MacNeil in connection with the \$10,000, his letters on two occasions contain the words—"You will keep an itemized statement of the expenditures," etc.; did you find any evidence in the books of the G.W.V.A. of any attempt to keep an itemized statement of the expenditure of that \$15,000? You have already said you found it lumped into the receipts and expenditures; did you find any evidence of an attempt to keep an itemized statement of receipts and expenditures as asked for by Mr. Scammell?—A. There is no evidence in the record.

Mr. SHAW: I submit that the statement probably speaks for itself.

The CHAIRMAN: Anything else?

Mr. PARKINSON: There is one point, Mr. Chairman, you might ask about, which I think was a little confused. Mr. Shaw, I think, asked Mr. Gallagher if all the revenue that the Great War Veterans' Association, Dominion Command, had received, had been placed in the bank account. I think Mr. Gallagher answered a little hurriedly, because I am quite sure he cannot answer that question. He can only answer that his statement as presented is in accordance with the statements of the Great War Veterans' Association and the accounts he has seen, and I should think he could answer that the revenue indicated in this statement is the revenue received by the Great War Veterans' Association.

The CHAIRMAN: That applies to every other item.

Mr. PARKINSON: In other words, these audits would mean an opportunity of auditing the money that the Great War Veterans' Association has been sent from time to time from the branches. I do not think he has had any opportunity of going into it.

Captain SHAW: I just want to express my opinion now of the gratuitous information furnished by the Deputy Minister. He has not had an opportunity to investigate these books. How does he know, coming before the Committee, what Mr. Gallagher knows or does not know? If he wants to give evidence, I submit he should give evidence. To suggest that the statement may or may not be correct is entirely improper.

Mr. PARKINSON: I simply asked the Chairman to ask that question in order to protect Mr. Gallagher.

The CHAIRMAN: All I understood Mr. Parkinson to say, was to ask the witness to admit—as we all know—that he had no personal knowledge of any one of those transactions, but can only speak of what is in the books. That is why I asked him to say if Blatch's audit is anything else but a picture of the evidence in the books.

Captain SHAW: The suggestion was that Mr. Gallagher could not speak with authority as to whether all monies received had been deposited in the bank.

The CHAIRMAN: Of course he cannot.

Captain SHAW: The suggestion is that money may have been received from provincial commands, expropriated, and not deposited in the bank. It may not have been intended, but if he wants to give information he should go on the stand.

The CHAIRMAN: I do not think he inferred that.

Captain SHAW: I certainly inferred that suggestion.

The CHAIRMAN: What did you mean by that?

Mr. PARKINSON: My intention was to clear up the statement that Mr. Gallagher had made in answer to a question of Captain Shaw's, in which he was asked if he could certify that all the money received by the Great War Veterans' Association had been deposited in the bank account. I simply asked that you request Mr. Gallagher to state whether he intended to make such a reply to that question.

By the Chairman:

Q. Do you personally know of any of the transactions that you found in those books?—A. I beg pardon, sir?

Q. Have you any personal knowledge of any of the transactions, entries of which you found in those books? Do you know personally of the monies received or paid out?—A. I have simply taken the accounts as I found them, and in paragraph 4 of my report I made this statement:—

It has not been possible in the time at my disposal to establish whether all remittances from provincial commands and other outside points have been taken into the accounts of the Association.

Q. You had no personal knowledge at the time of any of these transactions?—A. No, sir.

Q. Your audit is based merely as Mr. Blatch's is based, on what you found in the books?—A. Yes, sir exactly.

Q. You are not speaking from personal experiences and knowledge?—A. Oh, no.

The CHAIRMAN: I think, Capt. Shaw, you draw an inference that was not intended. The same thing would apply to your own auditor. Mr. Blatch did not have a personal knowledge; his audit is based on entries in the books.

Captain SHAW: I quite agree that the witness can only speak as to his knowledge of the accounts; he could not vouch for money that may not have been received. But the gratuitous suggestion, it seems to me, is entirely improper. The only inference is that moneys may have been received which were not deposited—which is not true.

The CHAIRMAN: Colonel Parkinson asked me to ask the question of the witness. I did not take it as a statement so much as a desire that the question should be put.

By Hon. Mr. Robinson:

Q. You have not audited the accounts between the head office and the branches?—A. No, sir.

By Captain Shaw:

Q. Is that exact now? You say you have not audited the accounts between the head office and the branches. You have audited them here, whatever accounts there are?—A. There are no proper returns; or at least I could not find any proper returns of remittances from the provincial commands to the head office.

Q. In other words, it may be that funds have been sent from the provincial commands which are not accounted for in the Dominion Command's books. Is that what you mean?—A. No, sir. I have made no attempt to verify whether all remittances from the provincial commands have been forwarded and taken into account.

Captain SHAW: I may say in connection with that, that I suggested some time ago—and the suggestion met with approval of the Committee—that the various provincial commands should certify here to the central organization the moneys which they had forwarded. That is being done now, and a statement will be produced in due course to satisfy even the most doubtful that every dollar that came from the provincial commands has been deposited in the banks by the Dominion Command.

Mr. PARKINSON: I would like to assure you, Mr. Chairman, and Mr. Shaw, that I had no intention of making any suggestion as to funds not being entered in the books of the Great War Veterans' Association. My desire was that you should ask Mr. Gallagher the question you did, in order to make it clear that he was not in a position to deal with question outside the books he had examined. He has not had time, you understand, neither was he in a position to make a complete audit of the accounts of the Great War Veterans' Association. That is to say, to make a complete audit, one must be able to see definite statements of funds transmitted to the Association as well as of funds expended, and there is no intention of drawing any inference that funds had not been entered in the books.

The CHAIRMAN: He has had no time and opportunity to satisfy himself absolutely as to the correctness of the entries he found in the books. He does not pretend to say that.

FRIDAY, June 12, 1925.

Hon. Mr. Belcourt in the chair.

Mr. C. G. MACNEIL recalled.

By Hon. Mr. Griesbach:

Q. Mr. MacNeil, is the Dominion Command of the Great War Veterans' Association indebted to any of its branches or Provincial Commands in any sum whatever?

Hon. Mr. SHARPE: What is that?

By Hon. Mr. Griesbach:

Q. My question is: Is the Dominion Command of the Great War Veterans' Association indebted to any of its Provincial Commands or subordinate branches?—A. Not to any substantial degree. At any given moment there are of course sums passing back and forth.

Q. For instance, no loan of a sum of money from any Provincial Command of your organization outstanding at the moment?

Hon. Mr. ROBINSON: To a Provincial Command.

By Hon. Mr. Griesbach:

Q. Is there any loan due from the Dominion Command of the Great War Veterans' Association to any Provincial Command?—A. There is one loan I can think of at the moment: \$500 to Winnipeg Branch. We now understand that they are wiping that off and making a donation; but as the matter was brought up at the time, they indicated a loan and it had to be so entered in our books.

Q. But, I asked you first of all, is there any loan due to any of your Provincial Commands from your Dominion Command? Have they loaned you any money which you still have to pay?—A. I am just trying to make certain. No, sir, there is no substantial amount.

Q. Is there any such loan to any of your branches apart from the Winnipeg Branch you have just mentioned?—A. Only in respect to two branches, the Winnipeg Branch and the Ottawa Branch.

Q. What amounts are they, approximately?—A. Not exceeding \$500 in either instance.

Q. All right.—A. And advanced as a loan pending adjustment of accounts outstanding.

Q. Out of the Canteen Fund you have made loans to your Provincial Commands of—what is it?—\$11,000?—A. Approximately that.

Q. Are they shown as recoverable assets?—A. No, sir.

Q. They are grants, are they?—A. They were advanced as loans that we might have control of the accounting, and demand notes bearing interest, and as they satisfied us that they had conducted the activities for which this money was advanced, we secured authority to wipe these loans—wipe them off.

Q. They are really grants?—A. Grants designated as loans for the purpose of accounting.

Q. I want to ask you another question. In a circular addressed to your branches (Exhibit 11) you use the expression that the auditors of the Department of S.C.R. have been instructed you say here, speaking of these auditors: "The staff of audit clerks of the S.C.R. are now installed in the offices of this Association, busily probing every detail of our activities. Their orders are to "get" the G.W.V.A." Now, that is a very serious observation, to which your attention has been called by somebody else. Tell me what evidence you have that the auditors were instructed to get the G.W.V.A.—whether as a matter of fact it is a true statement or not?—A. That was our impression at the time, by reason of the discrimination shown against our Organization.

Q. Yes, but nevertheless, "their orders are to get"—there is a definite statement of fact, that the orders of the S.C.R. auditors are to get the G.W.V.A. Who issued such orders? You must know. You must have some information to work on. You must know in making a statement of that sort who instructed the auditors of the S.C.R. to get the G.W.V.A. Have you any information on the subject at all, or is it merely just propaganda? Will you say that the officials of the Department of S.C.R. instructed the auditors to get the G.W.V.A.?—A. No. They dealt very fairly.

Q. Will you say that anybody else had done so?—A. My reference there was to the instructions of this Committee, rather, phrasing it that way. It may be unfortunately phrased, but our impression was at the time that, due to misunderstanding of our activities, we were being selected and charged apart from all other organizations, and that there was in some respects a desire to embarrass our present activities.

Q. Yes, that is all very well. Do you or do you not know of any orders to the auditors of the Department of S.C.R. to get the G.W.V.A.? Is that a true statement or is it not? As a matter of fact, in the report of the Committee, the order of reference will be published and people can read there exactly what was said. Have you, apart from that order of reference, any evidence at all that these auditors were ordered to get the G.W.V.A.?—A. I cannot produce any evidence. I have set that down as my impression.

Q. This statement, then, in your circular, is not based upon any information that you have at all?—A. I cannot admit that. It is based on information.

Q. What is the information?—A. I have nothing—I have nothing further to produce in the way of concrete evidence, beyond that which I have already stated.

Q. Well then, what you rely upon is the order of reference, that in your judgment discloses an order to the Department auditors to get the G.W.V.A.?—A. And other contiguous circumstances, upon which we felt justified in drawing certain deductions.

Q. I know that, but what you want to say to the Committee now is that when you made the statement you had no evidence at all before you that you can put before this Committee?—A. I had evidence which satisfied us, but not evidence which I care to place before the Committee.

Q. Not evidence which you care to place before the Committee?—A. No, sir.

Q. Then you make a statement to your subordinate branches, a serious statement of this sort, and you are not prepared to tell us upon what it is based?—A. I have already outlined—I have given a general outline—

Q. Eh?—A. Upon which it was based.

Q. That is the order of reference?—A. And the procedure adopted, which we felt—we gained the impression, whether rightly or wrongly, that we were being discriminated against.

Q. All right. Let it be assumed that you were being discriminated against, as much as you like. I ask you again, for the last time, upon what facts or statements do you base this statement which you make to your subordinate branches, that the auditors of the S.C.R. had orders to get the G.W.V.A. There must be something.—A. The evidence that would be employed by any business representative of any concern, instructed to deal with the affairs of the Association. After all, I am employed by the Great War Veterans' Association. There was a series of circumstances—if you care that I should enumerate them I will do so. There was a series of circumstances brought to our attention, that gave us that impression, and we felt justified at the time—

Q. Do you feel justified still?—A. —in drawing that deduction.

Q. Do you still stand by this statement? I will read it to you again: "The Association Auditors, competent chartered accountants who have continuously audited the books of the Association since 1919 and who were prepared to offer any audited statement required, have been arbitrarily brushed aside and a staff of audit clerks from the D.S.C.R. are now installed in the offices of this Association, busily probing every detail of our activities. Their orders are to get the G.W.V.A." Now then, I am asking you who gave these orders and what these orders are, and if you cannot tell us that, then perhaps you will be prepared to admit that this is merely propaganda and it is not based at all upon anything concrete you have to offer to the Committee. Is not that the fact?—A. I do not admit that it was merely propaganda. If you care that I should express my opinions to this Committee, my opinions are that the Association has been dealt with unfairly, and we endeavoured through our Counsel, Mr. Shaw, to make that clear in as inoffensive a way as possible. Nevertheless, as matters occurred at the time when that circular was written,

we did feel justified at that time in thinking that we were dealt with unfairly. After all we had conducted clean business. We had to discharge a trust for which we had a high sentimental regard; as far as the officials were concerned, implicitly followed the instructions laid down for us. We did make available for this Committee a detailed audit, signed by a reputable firm of chartered accountants, with regard to all our affairs without reservation. Then that was not accepted at the time. The auditors came in there, and under the order of reference they were required to have full knowledge of all details, even to the extent of securing the Minute Book of the Dominion Executive, the most intimate record of the affairs of the Association.

Q. But what has that to do with these orders to get the G.W.V.A.? I just want you to tell us yes or no, apart from all this arguing, whether such orders were given. Do you know that such orders were given? You have said that they were. Now I ask you if you know?—A. In speaking of orders there we speak of a general desire as expressed under all the circumstances, and to which we could not possibly be blind.

Hon. Mr. GRIESBACH: I think that from the evidence one can draw his own conclusion. That is all I want to ask this witness.

By the Chairman:

Q. Mr. MacNeil, I read a letter last night from Toronto, signed by the Secretary of the Central Ontario Regional Veterans' Alliance, in which among other things there is this statement:—

This Central Region of the Veterans' Alliance deplores the action of the honourable gentlemen of the Senate Committee in permitting such unrepresentative and misleading evidence, and what appears to be personal antagonism, to be given in their presence.

Now, that is another rather serious statement and it is addressed to the whole Committee. I should like you to disassociate yourself entirely from that statement if you can—and from responsibility in connection with it?—A. I have no responsibility for that statement, sir; had no knowledge of it until a copy of it was placed in my possession yesterday.

Q. You did not inspire it?—A. Not in the slightest degree.

Q. Do you agree with it?—A. No, I would not express myself that way.

Q. No, but do you agree with the statement or do you disagree with it, that this Committee has committed a deplorable action in allowing any evidence that has been taken here?—A. May I see it?

The CHAIRMAN: Certainly.

Hon. Mr. GRIESBACH: He is not responsible for that. Here is a direct statement which he is responsible for.

The CHAIRMAN: I have asked him. I want the witness to say whether he is or not.

The WITNESS: I am not responsible. Is it your wish that I should express an opinion?

By the Chairman:

Q. I am asking you now to express your opinion as to the propriety of that.—A. I do feel that evidence was submitted here that was unrepresentative and misleading, but I certainly would not attempt to hold the members of this Committee responsible for the submission of that evidence. And I would point out, that following the general tone of that letter, I do not really think they intend that any reflection should be cast upon the Committee.

By Hon. Sir James Lougheed:

Q. Where would that evidence have come from? The other Veterans' Organizations?—A. Certain men were representing themselves as being competent representatives of Veterans' Organizations.

By Hon. Mr. Griesbach:

Q. Who would they be, for instance? Who were they?—A. I think the evidence is clear before the Committee. Mr. Hind, for instance, is not representing the Tuberculous Veterans.

Q. That is a matter of dispute, but take the other witnesses. Take Captain Colbourne.—A. As I know, this counsel fee of—Mr. Macleod's evidence is not representative.

Q. He does not represent anybody at all? He is Secretary of the Dominion Command of the Grand Army of United Veterans, is he not? He is as representative as you are, with respect to his organization. If not, why?—A. I am merely endeavouring to interpret that letter. I have no desire to make any remarks to attack any organization.

Hon. Mr. GRIESBACH: Well, I do not think we need bother about that.

By the Chairman:

Q. Mr. MacNeil, let me ask you another question. Is there any feeling anywhere—in any one of these returned soldiers' associations—I include them all—any feeling that this Committee has not given everybody the fullest opportunity to be heard and to put the respective views before the Committee? Is there any feeling of that kind?—A. I do not think there is any feeling, sir.

ERNEST SAMUEL KEELING called, sworn and examined.

By the Clerk of the Committee:

Q. What is your name?—A. Ernest Samuel Keeling.

Q. And your occupation?—A. Pensioner.

Q. Representing any organization?—A. I am not at present. I am not representing any organization.

Q. You live in Ottawa?—A. I live in Metcalfe.

Q. Metcalfe, Ontario?—A. Yes, sir.

By Hon. Mr. Griesbach:

Q. You were employed in the offices of the Dominion Command of the Great War Veterans' Association for some time?—A. Yes, sir; from 1921, November 11th, until August 21st, 1923, was I employed as Dominion Secretary-Treasurer of the Tuberculous Veterans' Association, under an agreement with the G.W.V.A. by which they should sustain our office and pay my salary, sir.

Q. You have a fairly intimate knowledge of the work done by the Dominion Command of the Great War Veterans' Association?—A. I claim to have, sir.

Q. You have heard a good deal of the evidence that has been given, and you heard the statement made that the Dominion Command of the Great War Veterans' Association did a certain amount of adjustment work on behalf of the Dominion Veterans' Alliance?—A. Yes, sir. It would be perhaps fair to state—

Q. Yes, make your own statement with regard to it.—A. Thank you. From 1921 until August, 1923, I was representative on the Dominion Veterans' Alliance Parliamentary Committee—Legislative Committee, rather—and during that time I attended all meetings, and never once during that time did I hear of,

or have any knowledge of, or give any consent to, Mr. MacNeil or the G.W.V.A. undertaking adjustment work for, and acting for, the Dominion Veterans' Alliance. Whatever adjustment work was done by Mr. MacNeil was always—excepting the fact that they would take anybody's case up, whether he was a member of their association or not—in the name of the Dominion Command of the Great War Veterans' Association and not in the name of the Dominion Veterans' Alliance. In that respect I would challenge the production of any adjustment correspondence with the letter heading of the Dominion Veterans' Alliance; feeling—The reason why I make that statement is that we, as a constituent part of the Alliance, felt that in our adjustment offices we had, possibly, not quite as capable a man as Mr. MacNeil, but of course we felt that we were capable, each individual association, of conducting our own adjustment work, and did so, with or without—with a more or less amount of success.

Hon. Mr. GRIESBACH: That is all.

TUESDAY, June 16, 1925.

Hon. Mr. Belcourt in the chair.

Captain SHAW: I have three or four witnesses, and I am going to try to make their evidence just as short as possible. I desire first to put in evidence copy of a letter written by Mr. E. S. B. Hind, dated May 14, 1925, to Ronald M. Morris, Money Order Branch, Post Office, St. John, New Brunswick. The part to which I wish to draw the Committee's attention is the first paragraph, in which he says:—

Many thanks for your letter of the 5th instant, which I received on my return from Toronto on Monday. I was in Toronto to see officers of the various associations forming the Dominion Veterans' Alliance and the Amputations Association. My trip will bear fruit in due course, as we arranged to hang considerable crepe on C. Grant MacNeil, of the G.W.V.A.

Hon. Mr. LAIRD: Mr. MacNeil is not dead yet.

Captain SHAW: Not dead yet.

THOMAS O. COX called, sworn and examined.

By the Clerk of the Committee:

Q. What is your name?—A. Thomas O. Cox.

Q. Where do you live?—A. Cobourg, Ontario.

Q. Your occupation at the present time?—A. Inspector of an Insurance Company.

By Captain Shaw:

Q. Mr. Cox, you were a Civil Servant employed in the Militia Department, were you not?—A. Director of Separation Allowance and Assigned Pay Branch.

Q. What other positions have you held in the Civil Service?—A. As Director of the Separation Allowance and Assigned Pay Branch I handled first the Separation Allowance and Assigned Pay of all soldiers serving, payment of War Service Gratuity, adjustment of Demobilization Pay, and everything connected with soldiers' pay. I also organized the Returned Soldiers' Insurance Scheme and I reorganized the Coupon Redemption Branch of the Finance Department.

Q. I understand, Mr. Cox, that you were appointed one of the Trustees under Order in Council P.C. 3887 and under that Order in Council you expended approximately \$115,000 of the Canteen Fund?—A. \$115,250.

Q. Of that amount I understand, Mr. Cox, some \$80,000 was paid to the G.W.V.A.?—A. Yes.

Q. A certain amount to the Army and Navy Association?—A. The Army and Navy Veterans, \$6,000.

Q. Yes. Give us some of the other organizations?—A. Grand Army of United Veterans, \$20,000; the Veterans of France, \$1,000; Canadian Workers' Federation of Returned Soldiers and Sailors, \$100; 74th Battalion Association, \$250; Canadian Legion, \$1,000; Disabled Veterans' Association of Vancouver, B.C., \$1,000; the Widows and Mothers of the Great War, Vancouver, \$150; War Widows and Widowed Mothers' Association, Winnipeg, \$100—

Q. There are a large number?—A. Yes. There was a number of small ones. The Amputations Association of the Great War, \$1,000.

Q. I understand the Canadian Legion, too, got an additional \$4,000.—A. They got an additional \$4,000; \$5,000 altogether.

Q. These moneys were paid to the Trustees, of whom you were one, under the provisions of this Order in Council. Now, with regard, first of all, to all these sums of money—have they been accounted for to your satisfaction in all cases?—A. They have not been accounted for to my satisfaction in all cases.

Q. Can you mention any cases in which they have not been satisfactorily accounted for?—A. Well, I wouldn't—I would prefer not to go on record as to my personal opinion on these disbursements.

Q. I see.—A. I have the papers in connection with each advance that was made.

Q. I see. Probably I can get at it this way. I simply want to see if we can confirm the evidence that was given here. The representative of the Army and Navy Veterans' Association tells us that he has accounted fully. Is that correct?—A. I understand that he has done so. He accounted to me for—

Q. Well, I do not want the details, Mr. Cox.—A. I think he accounted to me for possibly two-thirds. He had a balance, and he has accounted for the rest to Mr. Parkinson.

Q. We had a representative from the G.A.U.V., and my recollection is that he stated that he too had accounted fully. Can you tell me from your recollection whether that is correct or not?—A. Well, I didn't get vouchers from the G.A.U.V. I saw Mr. Macleod in Toronto about the G.A.U.V. Fund and he told me that he—at least I went to Toronto at my own expense and saw Mr. Macleod and he told me that Mr. Marsh had been Trustee for those funds and that he had taken the vouchers with him. I think Mr. Marsh is here—Mr. Macleod is here. He will confirm that.

Q. In any event you have not got the vouchers, if I understand you?—A. I have not got the vouchers for \$20,000. I think I have the vouchers for \$6,593.49.

Q. I want to inquire from you with regard to the \$80,000 which was given to the G.W.V.A. First of all, I understand, Mr. Cox, that this money was drawn by the trustees from the Receiver General.—A. From the Department of Finance.

Q. When did your trustees have any meetings with regard to the expenditure of this sum of money?—A. Held an organization meeting on the 17th of October, 1921, at which two of the trustees were present, Colonel Margeson and myself. Dr. Arnold, the third trustee, was out of town. Then we held another

meeting on the 17th of October, and Dr. Arnold was still out of town. We held a meeting on the 24th of October, at which Dr. Arnold was present, when the previous two minutes were confirmed.

Q. I want to shorten this up as much as possible, Mr. Cox. With regard to the amount of \$80,000, was that voted in one sum to the G.W.V.A.?—A. No, I think it was paid in three sums; I think, \$10,000 first, then \$60,000, then \$10,000.

Q. Have you any knowledge, Mr. Cox, of the activities of the G.W.V.A. at that time?—A. At that time the G.W.V.A. were putting on a "Clean Sweep Campaign," with a view to cleaning up soldiers' and dependents' claims and grievances. We were handling some days as many as five hundred cases for them, a total—that is, in my department alone, I estimate that the G.W.V.A. handled in connection with pay, gratuity, separation allowance, working pay, in my department, at least 100,000 cases. It would have been practically impossible for us at that time to have given the satisfaction that we did give without the assistance of the G.W.V.A. and its branches.

Q. So I take it, Mr. Cox, that you had intimate knowledge yourself, from your actual experience, of the work of the G.W.V.A.?—A. I had.

Q. Did you, before paying any of this money to the G.W.V.A., satisfy yourself as to the system of bookkeeping which they had in their Bureau at Ottawa?—A. I saw—went up and saw the system of books with the then accountant, Mr. Duffy—I think it was. I saw—I wrote Mr. Blatch, the Chartered Accountant and Auditor of the G.W.V.A.; I enclosed him a copy of the Order in Council and arranged that he was to countersign all cheques drawn against this fund, and to see that the cheques were not issued for any other purpose than that covered by the Order in Council. Mr. Blatch asked me for an interpretation of the Order in Council. I have correspondence covering all this, if it is required. And I arranged to meet Mr. Blatch and the Manager of the Dominion Bank, who was then the banker for the Great War Veterans' Association. We held a conference and went very fully into the Order in Council, and Mr. Blatch was conversant with what the Order in Council was intended to cover, as we interpreted it. I also was in close, intimate touch with the work of the Great War Veterans' Association. They were spending on service and publicity amounts probably a great deal more than the grant that we gave them.

By Hon. Mr. Pardee:

Q. Amounts more than the grant, did you say?—A. Yes.

By Captain Shaw:

Q. Had you and the trustees satisfied yourselves that the purpose for which the money was to be used, as set out in the Order in Council, was exactly the same as or parallel to the work which the G.W.V.A. itself undertook?—A. Yes, we were satisfied as to that. As a matter of fact, I have recorded in the minutes of the trustees our interpretation of the purposes for which that Order in Council might be used.

Q. To put it shortly, the Order in Council gave you a wide range of action, a range of action which at least corresponded with the activities of the G.W.V.A.?—A. It gave the people who received the grants a wide range. Our range was confined to making the grant to associations that had demonstrated their ability to carry out the purposes or conditions of the Order in Council; then the associations had to carry out the conditions. We could not keep a check on every small item that was expended, we could only generally supervise it.

Q. I think that is all.

GEORGE L. BLATCH appeared as a witness before the Committee, and, having been duly sworn, testified as follows:—

By the Clerk of the Committee:

Q. What is your name?—A. George L. Blatch.

Q. Your occupation?—A. Chartered accountant.

Q. Where do you live?—A. Ottawa.

By Captain Shaw:

Q. Mr. Blatch, you are a chartered accountant?—A. Yes, sir.

Q. Carrying on business in the city of Ottawa?—A. Yes, sir.

Q. I understand you have been here for approximately 25 or 30 years?
—A. I have, yes.

Q. And engaged in that business during that period of time?—A. Since 1895.

Q. I understand, Mr. Blatch, that you are the auditor of the G.W.V.A.?
—A. I am, yes.

Q. And appointed by their Annual Convention, and responsible only to their Annual Convention?—A. Appointed by the Convention.

Q. In other words, your responsibility is not to the organization at Ottawa, but to the nation-wide convention?—A. To the convention.

Q. We have been told that all cheques of this organization are countersigned by yourself before being delivered to the payee. Is that correct?—A. Yes.

Q. What is the date of your appointment as auditor of the G.W.V.A.?
—A. I cannot tell you definitely.

Q. You can tell me about the year?—A. I believe it was in 1918. I followed Mr. Dunlop, who was ill, and completed the year's audit he started in 1918.

Q. So you have at least been the auditor since 1919?—A. Yes.

Q. You have heard the evidence given by Mr. Cox?—A. Yes.

Q. Do you recall the conversation or the arrangement made with him with respect to the Canteen Fund?—A. I do.

Q. Did you satisfy yourself, Mr. Blatch, that the purposes for which the money was to be used under the Order in Council were substantially the same as the purposes which the G.W.V.A. undertook to perform?—A. Yes, I did.

Q. Now, I understand that in consequence of having to sign every cheque, you yourself would be able to keep a close check on every expenditure?—A. Vouchers were presented to me along with the cheques, and I examined the vouchers before signing.

Q. And you are satisfied that every expenditure of the G.W.V.A., including the Canteen Fund and all other funds—and their own funds—have been entirely in accordance with the purposes of the G.W.V.A.?—A. Yes, to the best of my knowledge and ability.

Q. I understand that you have had an opportunity to go over the last statement submitted by Mr. Gallagher of the Department of Soldiers' Civil Re-establishment?—A. Yes, I have.

Q. This is a copy of your statement that you have prepared?—A. Yes, that is a copy of a statement I prepared—a summary of the revenue and expenditure.

Q. This is a synopsis of the last statement prepared by Mr. Gallagher?—A. Comparing my figures with Mr. Gallagher's.

Q. It is simply for comparative purposes, for the use of the Committee. It shows what differences there are between you and Mr. Gallagher?—A. Yes.

Captain SHAW: I would like to have it marked.

(Statement filed, marked Exhibit 13).

The CHAIRMAN: Any questions?

Hon. Mr. GRIESBACH: Yes.

By Hon. Mr. Griesebach:

Q. Covering this period I have before me a statement of the G.W.V.A. from September 21, 1921, to January 31, 1922, together with the report of the Committee of Ways and Means of the G.W.V.A. Under the head of assets is an item, "By the convention resolution \$5,000." Can you tell me what that is?—A. I went into that question of the per capita tax due by the branches of the Association with Mr. Duffy, the accountant, and we decided to estimate the amount at something over \$15,000. I think that is the amount we placed in the statement.

Q. That is shown here as an asset?—A. Is that \$5,000 or \$15,000?

Q. "By the convention resolution, \$5,000?"—A. At that convention the Ways and Means Committee took the matter up, and they authorized the amount to be reduced to \$5,000 as an estimate of the per capita tax outstanding.

Q. Here is another item under liabilities: "By the convention resolution, \$10,627.60." Can you tell me what that is? Here is the item here?—A. That is the amount by which the \$15,000 was reduced to \$5,000.

Q. I see.

By Captain Shaw:

Q. The amount written off?—A. Written off, yes; the estimated per capita tax.

Q. Just one question. Some suggestion has been made in the Committee that moneys might be received and not paid into the bank of the organization. Have you kept a careful check on all moneys received, so far as an auditor can?—A. I think we have done all that is possible in reference to the per capita tax, we have always had a report from the Provincial Secretaries of the amount of per capita tax paid in to the Dominion Command. That we have a very good check on. Other receipts, of course, came from various sources, and we had letters and any evidence that we could get in reference to them, but we could not be sure of everything that was sent out, because they were not sent to the auditor.

Q. You have no evidence of any irregularities in all your experience?—A. No.

Q. Do I understand that you regularly audited the books of this Association every month or every two months?—A. Oh, yes. Of course, as I said, the expenditure comes through my hands, and some of our staff go into the office of the Association regularly, monthly usually—it may run over that time—and at the end of any period when they close the books and make up a statement we go into that very carefully.

Q. You have never found any evidence of any irregularity of any kind, have you?—A. No, I have not.

By Hon. Mr. Griesebach:

Q. I have before me a further statement signed by you on May 23rd of this year. In the statement of assets and liabilities you show a surplus of \$50,113.91. Part of that surplus is 25,000 shares of stock in *The Veteran*?—A. Yes, sir.

Q. It has been shown that cash was paid for these shares. Is that a fact?—A. Yes, sir, that is right.

Q. But, as a matter of fact, what value have these shares got? What property or plant has *The Veteran* got that justifies putting those shares in at

par?—A. I would like to explain that item. The cash was paid. I remember the time, and it was paid in cash.

By the Chairman:

Q. Where did it come from?—A. Out of the funds of the G.W.V.A. That was previous to the time they received any moneys from the Canteen Fund. It must have been out of their own funds.

By Hon. Mr. Griesbach:

Q. What real value have those shares got?—A. I cannot state that there is any value, but I would like to explain the reason that that surplus is carried. As far as the assets are concerned, I do not consider that they have any effect whatever, because it is not an association or business for making money, and the receipts and expenditures are important—the actual receipts and expenditure—in order to show the surplus in the receipts and expenditure, to correspond with the difference between assets and liabilities. We keep the same valuation from year to year—retain the same valuation on the assets unless there is something written off such as that item of per capita tax.

Q. I notice another item due from The Veteran Limited, \$10,000 odd. Do you express any opinion as to the value of that as an asset? It is in the same class as the stock?—A. The same class—not as an asset—as I see it The Veteran Limited is a separate organization, but it is practically part of the Great War Veterans' Association, because they own it.

Q. Then this surplus in fact is not a surplus at all?

Hon. Mr. LAIRD: A bookkeeping surplus.

The WITNESS: It is a bookkeeping surplus, but I do not say it is of any value.

By Hon. Mr. Griesbach:

Q. You do not say it is or is not?—A. I do not give any opinion as to the value of the surplus; it is simply a bookkeeping surplus to correspond with the other part of the statement.

Q. Whose business would it be to determine the value of that? In an annual statement someone must give a value to everything, surely?—A. I never considered it was necessary to put a value on, for instance, the Veteran Limited shares, unless they were put up for sale; then there would be a special valuation.

Hon. Mr. LAIRD: If you had to borrow money you would want a valuation.

By Hon. Mr. Griesbach:

Q. Is it not unsound practice to get out a statement of this kind showing a surplus when no surplus exists?—A. I do not think so in a case of that kind; it would be in the case of a business, but this Association was not borrowing money.

Q. Put it another way. Supposing, instead of writing off the per capita tax, the account written off had been carried into a list of assets, would you be called upon to express an opinion as to the propriety of that, or would you let it go? Is there any limit to what the organization might do in the matter of showing a paper surplus that you would not feel called upon to interfere with?—A. I think, if I understand—if the accountant of the Association, for instance, put a valuation of say \$30,000 on the per capita tax—that is an estimate—I would consider it my duty to see that that was reduced. In fact, we did go into it at the time, and put it in at about \$15,000 because the Association should have received that amount of money.

Q. All right, that is all.

C. GRANT MACNEIL was recalled as a witness, and testified as follows:—

By Captain Shaw:

Q. You have already told us that you were Secretary-Treasurer of the G.W.V.A. since 1919?—A. January, 1919.

Q. I want to produce a copy of the constitution of the G.W.V.A., and ask you if this document is the constitution of the organization?—A. Yes.

Captain SHAW: I desire to call the attention of the Committee to Article 1, sections e, f, g, and h as outlining the objects of the Association.

Q. I understand you have a Dominion Command in Ottawa; your head office is here, and then you have Provincial Commands in every province of the Dominion?—A. Except in one, that is Quebec.

Q. Tell me how many branches you have?—A. 703.

Q. Are those branches all working at the present time?—A. Yes, according to the list revised on March 18th of this year.

Q. Can you give me approximately the total of your membership all over Canada?—A. Approximately we place it at a figure estimated between 80,000 and 100,000.

Q. I suppose the reason you cannot give it any more definitely is that you are basing your figures on the per capita tax?—A. Yes, which is not always collected.

Q. Your organization runs a service or administration bureau in this city?—A. Yes.

Q. And it is the only organization which is running an adjustment bureau?—A. What might be termed a properly staffed adjustment bureau, the only organization.

Q. Can you give me an idea of the number of claims on behalf of soldiers that your Dominion Command has taken care of since your connection with the organization?—A. Since the development of the adjustment service, prior to my taking office, we estimated approximately 150,000 claims. Mr. Cox gave evidence this morning of 100,000 that passed through his department. In addition to that we figure on 50,000 to 60,000 passed through other departments.

Q. Could you give the Committee, shortly, the range of the cases which come under the consideration of your bureau?—A. The range of cases includes legislation—parliamentary and Cabinet, departmental regulations, employment service, pensions, medical treatment, dental treatment, civil service appointments, soldier settlement, appeals, military pay, working pay, separation allowance, burial expenses, badges and decorations, estates, exchange, transportation expenses, repatriation, whereabouts, war service gratuity, discharge certificates, medals, pleas for clemency, housing loans, Dominion lands, insurance, mothers' allowances, naturalization, Patriotic Fund, relief, general employment, vocational training, vocational loans, and miscellaneous claims.

Q. Have you ever done this organization work on behalf of the Dominion Veterans Alliance?—A. Never.

Q. I am talking of your adjustment bureau at Ottawa, has it at any time been under the direction or control, in any particular, of the Dominion Veterans Alliance?—A. Never at any time or in any particular.

Q. I think the evidence already clearly indicates that the Dominion Veterans Alliance was not organized for any such purpose whatsoever?—A. That is true.

Q. Now with regard to the Canteen Fund, I understand from the evidence that an examination of the books of your organization was made by the Department of Soldiers Civil Re-establishment, or an officer of that department?—A. Yes sir.

Q. For what purpose was that made?—A. At the time of the original grant from the Canteen Fund one of the officials called at our office to determine if our system of accounting would enable satisfactory reports to be made with regard to the advances.

Q. Do you remember Mr. Cox having his arrangements in connection with the matter?—A. Yes, sir.

Q. Did he examine the system at that time?—A. Quite thoroughly.

Q. Do you know whether he held a conference with the Association's auditor, of which he spoke this morning?—A. He did, on several occasions.

Q. With regard to the sale of poppies, do you confirm the evidence of the representative of the Department of Soldiers' Civil Re-establishment that he was made familiar with your plans and knew your sale prices, and was satisfied with your record?—A. That is so.

Q. I gathered the suggestion that one of your arrangements was that you were to have the exclusive sale of the poppies; is that correct?—A. That is correct, provided in any locality where we were unable to make sales, the Department could exercise, under mutual arrangement, the right to make direct sale.

Q. Did you ever agree to the sale, at the regular prices, to organizations, even in places where you were represented?—A. Not as yet; it has not yet been necessary.

Q. No such case has arisen?—A. No.

Q. The purpose of this poppy fund is what?—A. The purpose of the campaign, first of all, is to encourage the people to wear the flower in remembrance of Armistice Day. Secondly, by well organized distribution of the Vetreft product, to employ in the Vetreft shops every disabled man who would otherwise not be employed. Thirdly, to provide the local organizations with community relief funds.

Q. Do you owe the Department any money in connection with the sale of those poppies?—A. Not a dollar.

Q. You are paid up in full?—A. Paid in full.

Q. At prices which they fix?—A. At prices which they fix.

Q. And I understand you distribute those poppies to your Provincial Commands, and fix the prices which they are to charge?—A. That is correct.

Q. And if there has been any overcharge in any place, that would be because of some Provincial Command or somebody acting without their jurisdiction?—A. That would be the case, and quite beyond our control.

Q. Have you people made any money out of that?—A. Yes sir.

Q. Is the Dominion Command making money out of it?—A. Yes, sir, there has been a surplus on all the campaigns combined.

Q. In fixing the price do you take into consideration the actual cost, and then the estimated sale?—A. The estimated cost of distribution, publicity, advertising, etc., and to safeguard ourselves, as any business concern would, against possible losses on returns, unsold supplies.

Q. So that you have been making small amounts of money?—A. Exceedingly fortunate.

Q. We have received an affidavit from the representative of the Provincial Command in Winnipeg, Manitoba; I understand you have a wire from him?—A. Yes, sir; the wire is to the effect that this is mailed, and should be on hand to-morrow morning.

Q. That is with regard to the alleged improper prices charged in Winnipeg?—A. Yes, sir.

Q. Some suggestion has been made with regard to an unemployment conference, and expenditure for that purpose, at Port Arthur; tell the Committee about that?—A. That was a conference summoned upon the understanding that the Government had agreed to advance a sum from the Canteen Fund. It was

called in Port Arthur three months in advance of our regular Dominion Convention. It should not be confused in any way with the convention. It was called for the purpose of organizing ways and means to meet what seemed to be a serious unemployment situation, and strengthen the machinery which it was proposed to erect for the conduct of the Clean Sweep Campaign. We called together a number of the key men from organizations in all provinces at a central point, and decided upon a plan on which this work was to be carried on.

Q. I do not want to go over all the discussion about the Disablement Fund again, but you heard Mr. Scammell state, with regard to your conversation with him about the cheques—the suggestion to you that you should endorse the cheque yourself as the responsible official of the G.W.V.A.?—A. He did make that suggestion during the conversation.

Hon. Mr. GRIESBACH: I don't think he did.

Captain SHAW: He said he did. He said it on two occasions, I have a memo of exactly what he said.

The CHAIRMAN: My recollection is that in the conversation Mr. MacNeil stated to Mr. Scammell that if he had the endorsement of the Alliance to that cheque would it be satisfactory. Mr. Scammell says he replied "Yes, if that cheque is duly endorsed, properly endorsed by a proper person, I have no objection." I think that was his statement.

Captain SHAW: I want to be absolutely clear in this matter. Mr. Scammell on two occasions stated that he suggested to Mr. MacNeil that he endorse the cheque himself as the responsible official of the G.W.V.A.—I made a note at the time. Then in cross-examination by Senator Griesbach he said what he intended to convey—I don't want to examine Mr. Scammell's state of mind, as to what conclusions he intended; I only want to know the actual fact of what he said, and of course his state of mind might not be known to Mr. MacNeil.

Hon. Mr. GRIESBACH: He would be justified in explaining any statement that he had previously made, that seemed obscure.

Captain SHAW: Quite right, but he was explaining to you what he intended, what was in his own mind in connection with the conversation, but on two occasions he stated to the Committee in the words substantially that I have used, in the conversation with Mr. MacNeil.

Hon. Mr. GRIESBACH: I know, but the reason I asked him to explain it was that I could not understand how Mr. Scammell could be in a position to know whether Mr. MacNeil was the proper official or not; that is why I asked him to explain it, and that is the explanation he gave.

By Captain Shaw:

Q. Did Mr. Scammell know that you were the Secretary of the Dominion Veterans Alliance?—A. Oh yes.

By Captain Shaw:

Q. Mr. MacNeil, there has been some suggestion by a representative of the Canadian Legion—I think it was—that he resented the payment of salaries to officials in connection with the Adjustment Bureau in Ottawa. I understand, Mr. MacNeil, that so far as you are concerned personally, you have placed your resignation in the hands of your Organization as far back as some time in the autumn of 1923.—A. That is true, and it is still on the table.

Q. And have they accepted it?—A. It has not been accepted.

Q. In fact they prevailed upon you to stay in the Organization?—A. Yes.

Q. So as far as you are concerned, from the monetary point of view, you have no interest? I mean, you have much greater opportunity outside the G.W.V.A. rather than under the circumstances that existed since 1923.

Hon. Mr. GRIESBACH: May I draw your attention to another misapprehension? Colonel Clarke did not object to the payment of salaries of the Adjustment Bureau. He objected to the payment of salaries in soldiers' organizations; which is somewhat different.

Captain SHAW: I do not know what he was referring to unless he had this in mind. It is the inference I drew with regard to that statement.

Hon. Mr. LAIRD: That last question was not answered. You drew the conclusion he had better opportunities outside the Organization.

Captain SHAW: I did not want to convey that idea. What I wanted to get at was this.

By Captain Shaw:

Q. Your resignation was tabled in the autumn of 1923. That is correct, is it?—A. That is correct.

Q. At that time you wanted to resign?—A. Yes.

Q. Why?—A. It was not so much because of other opportunities, but because I was unwilling to have the Association continue to pay my salary under the circumstances, or have my employment stand in the way of any decision with regard to this particular problem.

Q. Oh, yes, I see. And the result is that they have continued your service ever since that time?—A. Quite so.

Hon. Mr. LAIRD: He did not answer that question. You said, "You wanted to send in your resignation." He did not say that.

By Hon. Mr. Laird:

Q. You offered to resign. You did not want to resign?—A. I definitely tendered my resignation.

Q. But, as Captain Shaw put it, he said you wanted to resign.

Captain SHAW: That is what he said, as I understood.

Hon. Mr. LAIRD: Not that he wanted to resign.

Captain SHAW: Do you draw any distinction?

Hon. Mr. LAIRD: You are leading him, that is all.

The CHAIRMAN: Oh, yes, he has been leading him all through.

Captain SHAW: If you want me to stick to the rules of evidence—

The CHAIRMAN: No. I don't. I am not interfering. Captain Shaw will agree that his questions have been about as leading as they could be. He has gone the limit.

Captain SHAW: I am trying to facilitate matters.

By Captain Shaw:

Q. Then will you explain to Senator Laird fully?

Hon. Mr. LAIRD: I am simply suggesting that you are putting into his mouth words which he did not say. You said, "You wanted to resign." He said, "Offered to resign."

By the Chairman:

Q. Perhaps the witness will say why he wanted—or why he offered to resign. Why did you offer to resign?—A. For the reasons I have already stated, that I felt—I wished the Association to arrive at a decision with regard to the

maintenance of this Adjustment Service without consideration of my terms of employment. I did feel that if the service was to be discontinued, that I desired to seek other employment.

Q. Why was the discontinuance of the Service discussed at that time?—

A. Through lack of funds.

By Captain Shaw:

Q. Now, Mr. MacNeil, in connection with your work on behalf of the G.W.V.A., have you encountered any antagonisms any time in recent years?—

A. That is so.

Q. From whom? Well, let me ask you—

Hon. Mr. DANDURAND: Well?

By Captain Shaw:

Q. Did you find any antagonism from other organizations?—A. Of Veterans?

Q. Yes.—A. That is so.

Q. What about Departments of Government—the Pensions Department, the Department of Soldiers' Civil Re-establishment, and others?—A. We have a definite and open disagreement with the Pensions Board.

Q. Do you find difficulty in getting things done perhaps as expeditiously as you like?—A. That is true.

Q. On occasion?—A. On occasion, yes.

Q. And I suppose that you are not surprised at some personal antagonisms that have arisen as a result?—A. No, I am not.

Captain SHAW: I think that is all, Mr. MacNeil.

By the Chairman:

Q. May I ask you, Mr. MacNeil, have you at any time received any complaint or any inquiry from the Department with regard to the expenditure of moneys paid over to you, or moneys collected by your Association, and your application of these moneys to the publication of "The Veteran"?—A. We have received no complaints.

Q. Not from the Department?—A. Not from the Department.

Q. Have you from outside, from any of the other organizations? Have they objected to the use of the money of the Association for the publication of this paper?—A. No such complaint was lodged directly with us.

Q. What do you mean, "lodged directly"?—A. I have heard it discussed in a loose way. I have heard that it has been discussed, but that has only been casual.

Q. In what way was it discussed?—A. I couldn't say, sir.

Q. You have heard that some of the Associations were complaining of the use of the money—of these moneys being used for the purpose of the publication of this paper. You have heard that?—A. In a very casual way and the report—such reports as I heard were based on faulty information. They were not conversant with the actual arrangement.

Q. Did you ever reply—did you ever give any information to the other soldiers' associations with regard to the expenditure of that money on that paper?—A. No, sir, I had no such opportunity.

Q. I mean, the Association.—A. I had no opportunity.

Q. I mean, the Association; I do not mean you only.—A. Not that I am aware of.

Q. It has not been dealt with by the Association?—A. Not through our office.

Q. Were these complaints numerous and frequent?—A. Not to my knowledge.

By Hon. Mr. Sharpe:

Q. Have you had any disagreement with any of the other Departments except the Pensions?—A. It has been chiefly with the Pensions Department, and disagreement with regard to relating issues.

By Hon. Mr. Dandurand:

Q. To?—A. Disagreement respecting relating issues arising out of the Pensions dispute. The main dispute was with regard to change of policy on the administration of the Pensions Act.

By Hon. Mr. Sharpe:

Q. Your main trouble has been with the Pensions Department?—A. Yes, sir.

By Hon. Mr. Griesbach:

Q. Everything is now satisfactory with the other Departments?—A. We get along very well indeed, sir.

Q. Of course you did not always get along with them very well. In your circulars to your branches a year or so ago you had quite a lot of things to say about a number of different people in the other Departments.—A. We were in disagreement with the officials of the Department of Soldiers' Civil Re-establishment.

Q. Would you mind telling us what your salary is now, Mr. MacNeil?—A. Forty-five hundred dollars per annum.

Q. And last year, 1924?—A. It was increased from \$3,000. I am not certain when. I have had several increases.

Q. Forty-five hundred dollars last year?—A. Yes, sir. That includes salary as Secretary Treasurer, also Secretary Treasurer of "The Veteran," Limited, combined posts.

Q. You said that the Dominion Command of the Great War Veterans' Association bought the Poppies from the Department of Soldiers' Civil Re-establishment, then you added something to the price, for your own profit?—A. Yes, sir.

Q. Then you regulated—A. —for margin of cost of distribution.

Q. Twenty-five cents?—A. No.

Q. In regard to the sale of poppies you said in your evidence that you bought them at \$15 a thousand and your price to your subordinate command was \$20 per thousand?—A. \$20 per thousand.

Q. I remember that; so we can take that as the basis. Then, you say, you controlled the price at which your subordinate bodies sold?—A. No, sir; we have no control over that.

Q. You have no control at all? They are wide open?—A. We merely invoiced them at \$20 a thousand.

Q. I understood you to say that you controlled the price?—A. No, sir, not controlled.

Q. You have no control and no responsibility for what the subordinate branches may do? You said a moment ago that you rendered no service—I understood you to say—to the Dominion Veterans' Alliance.—A. I stated that the Dominion Veterans' Alliance at no time had any control of the Adjustment Service.

Q. Yes, and you did nothing for them?—A. Yes, we did.

Q. Oh, I see. Then what is it, precisely, you meant to say to Captain Shaw when he asked you the question as to your connection with the Dominion Veterans' Alliance? Did you do any adjustment work for the Dominion Veterans' Alliance?—A. No, not under instructions of the Alliance.

Q. What is that?—A. We did no adjustment work for the Alliance under instructions from the Alliance, or by arrangement with the Alliance.

Q. I have here a statement submitted by yourself to the Dominion Veterans' Alliance, in which you claim they owe you \$19,960. What would that be for?—
A. The legislative activities.

Q. Oh! Merely?—A. Merely.

Q. You say that in handling these poppies you charged for your service merely the ordinary commercial rate to cover the cost of handling?—A. What would be considered a fair estimate of value of time.

Q. You used the words "the ordinary commercial charge," and the amount that you charged is \$15,000 administration expenses on a gross profit of \$25,000?—A. Or a turnover of—that should be applied with regard to the turnover, which was considerably larger: \$105,000.

Q. I suggest to you that that is an afterthought Mr. MacNeil; that in your statement which you first submitted you show in your revenue a profit of \$25,000 odd?—A. Not an afterthought, as I have already filed with the Committee the circular of instruction issued to our Provincial Command, in which we assert that we wish to forego profit, leaving the bulk of the funds, as far as possible, for the communities, and that if any surplus existed we would immediately transfer that to the activities which we conducted on behalf of ex-service men.

Q. If that is so, why does not the administration expense appear on your statement? In other words, why does not the net profit appear in your statement?—A. It does.

Q. No.—A. Every detail appears.

Q. No. Here we have a statement which you submitted the other day on the Poppy Day Campaign. Under the head of revenue the statement of cash shows \$25,148.15. Now I submit that if that is a fair charge it should have been charged as a net profit, and not gross.—A. Gross profit is indicated in the summary, page 4.

Q. No, but I am speaking of your revenue. Let us stick to your revenue statement, which came in first, without any statement attached. We find in that statement that you show under the head of revenue \$25,148.15.—A. The reason you show under the head of revenue \$25,148.15.—A. The reason for that is that the Poppy Day Account was separate from the General Account and was transferred. This account shows the actual transfers made to the General Account during this period from 1917 to 1925. The counter entry of administration expenses is under different headings—allocated under different headings, in the expenditure column, the same statement.

Q. I do not know that we get very far in discussing that. I am merely suggesting that this administration charge of \$15,000 is an afterthought, after the preparation of your ordinary statement.—A. No, sir. In all our reports to the Association in regard to these campaigns we have always dealt with the matter in the way in which it is set forth in this statement.

Q. Take for instance the statement which was submitted in 1923—a statement you submitted to your branch in 1923. There you show the Poppy Day profit without any deduction for overhead expense.—A. I think you will find in the statement of 1923 that we did charge for administrative expenses.

Q. Yes, \$8,908, is shown as the revenue from poppies in that year?—A. That was made before the collections were in for the 1923 campaign, the first year in which we had distributed Vetcraft poppies, and which brought in a new arrangement; and with regard to the 1921 and 1922 campaigns which, considered together, were not entirely successful.

Q. Nevertheless, showing a revenue of \$8,908.07. I have before me your financial statement for the period from February 1, 1922, to May 1, 1923?—A. I haven't that here. I don't know how that statement is made up.

Q. That is your own?—A. That would be made up in the same way the revenue statement was made up here. The revenue statement would show the

actual sum transferred from the Poppy Day account to the general account, and the counter entries with regard to the administrative expense would be under various other headings on the expenditure side.

Q. I do not see how, if you kept it as a separate account, as you were required to do—a separate bank account and everything—you could carry anything into your revenue account except a net profit?—A. Well, the Department, of course, never took into consideration our costs of distribution, our expenses; their claim has priority.

Q. You have told us already that your administrative expense is the amount which you thought proper to charge for the service of your department here?—A. Yes.

Q. It is not a charge based upon vouchers and charges and entries, and so forth, it is merely the amount you thought ought to be charged for your services in the matter?—A. We would charge that in any event according to the volume of work handled during the campaign, and if the surplus in the account, after the payment of the S.C.R. bill, was not sufficient to cover that, we would show an operating loss.

Q. But you never did, as a matter of fact?—A. Never did.

Q. That is all.

By Hon. Mr. Dandurand:

Q. Would you tell me, Mr. MacNeil—I see in the statement, July 21, 1921, to August 31, 1922, "The Veteran Limited, \$46,000." Did you inform the Minister in 1921 that you needed that money which you were getting from the Canteen Fund for the establishment and publication of that newspaper?—A. There is a paragraph, sir, in the letter attached to the first order in council, devoted entirely to that particular topic, stating that we desire to devote a portion of this sum to the publication of information through the columns of The Veteran—

Q. Did you inform the Minister at the time, in 1921, that you intended to spend such a large amount for the establishment and development of such an organ for your Association?—A. It was not devoted to the establishment or development of the organ. We had already paid in full \$25,000.

Q. Outside of this \$46,000?—A. Oh, yes, sir. The \$25,000, as has already been stated in evidence, was paid prior to the advance from the Canteen Funds, and the sum shown there was under arrangement with the trustees chiefly for subscriptions to members of the Association.

Q. For subscriptions to that paper?—A. Yes, sir.

Q. Did you in 1921 inform the Minister of the time, and in 1922 inform his successor that there was such a large amount being spent of public monies or of the Canteen Fund?—A. The trustees were aware of it.

Q. A trustee had been appointed to superintend that expenditure?—A. Yes, sir. We had no occasion to report to the Minister; we would report rather to the trustees.

Q. So you are not aware whether the Minister or the Cabinet of 1921 and since was informed of the large expenditure you were making on this newspaper?—A. The matter was entirely in the hands of the trustees. I am not aware what they reported.

By Hon. Mr. Laird:

Q. According to your statement the gross profit was \$25,000?—A. The gross?

Q. Yes?—A. The net profit was shown at \$9,462.

Q. What is your gross profit?—A. \$25,000.

Q. Now, you figured that your cost of operation was approximately \$15,000?—A. Yes, approximately.

Q. How do you arrive at that figure?—A. Based partly on a knowledge—of course, we have precise knowledge as to salaries of staff engaged on this work, but it is stated on the statement, 15 per cent of the sales for 1922, 1923 and 1924.

Q. Then you just took 15 per cent as the approximate cost of operation. You do not mean by that you put on \$15,000 of extra help?—A. No, sir. We might if we were required to maintain staff that we might otherwise dispense with. This activity started in February or March.

Q. So you would naturally figure on a profit on the \$15,000?—A. You figure on being reimbursed.

Q. It didn't cost you \$15,000?—A. We figure it would cost us \$15,000.

Q. Now, what extra help, what extra work did you do, or what extra expense were you at in making that turnover of \$100,000?—A. Our expenses would be \$15,000 less if we were not required to conduct that work.

By Hon. Mr. Griesbach:

Q. That begins to approximate one-third of your salary list for the whole year. In this period it was \$36,000, but your normal salary list is a good deal lower. I think your normal salary list averages out for eight years at \$17,000, and you are charging for poppies at the rate of \$5,000 a year. That would mean that your activities in poppies took up one-third of your time, which would not be so?—A. It was over eight months. That is a low average salary list. The salaries were lower prior to the Clean Sweep Campaign.

By Hon. Mr. Laird:

Q. You made a profit of \$10,000 and in addition got \$15,000 paid towards expenses?—A. Expenses which were actually incurred.

Q. Which you claim were. I am trying to find out how you actually expended that \$15,000, and you don't seem to be able to show.

By Captain Shaw:

Q. Your regular staff would be engaged part of the time on this work, and you would have to estimate the amount of expense incurred by this additional obligation in addition to additional help required?—A. Yes.

Q. Has the G.W.V.A., ever been enamoured of this poppy business? I mean, have they an anxiety to continue it?—A. No great anxiety except for the benefit we consider it, a mode of service, to disabled men.

Q. I suggest that the Department of Soldiers' Civil Re-establishment try some other organization and see how they get along.

By the Chairman:

Q. Will you tell us in two words how much money you have received from the Department of Soldiers' Civil Re-establishment or from any other Department in connection with your work?—A. Apart from the—

Q. No, altogether; including everything?—A. The Canteen Fund amount of \$130,000, which came direct from the Minister of Finance to the trustees; the Disablement Fund, which was \$20,000.

Q. That would be \$150,000. Is that the total amount of public money which has been paid to your organization by the Government of Canada?—A. There are other minor amounts mentioned in evidence—payment of my travelling expenses while engaged in the work with the Royal Commission, payment of advertising in The Veteran Limited, which was not paid direct to the Association but to The Veteran Limited.

Q. I want you to give us the total amount received by your Association from the Government?—A. \$150,000.

Q. Now, you have spent how much of that in the fitting up, printing and distribution of the *Veteran*?—A. Well, I refer to Mr. Gallagher's statement of revenue and expenditure—

Q. I want your own statement?

Captain SHAW: Mr. Lapp is here. He can give you that information.

The CHAIRMAN: Mr. MacNeil can too.

The WITNESS: I must speak from the statement. For subscriptions?

By the Chairman:

Q. Oh, no?—A. Well, \$46,000—in the statement, The *Veteran Limited* is \$46,000.

Q. I want you to tell me how much altogether has been spent in equipping the establishment for the printing. Did you print yourself?—A. No, sir, it was already equipped.

Q. Now, for all purposes, how much money has been spent on the *Veteran*?—A. It approximates \$52,000.

Q. \$52,000?—A. That is the amount spent during the period from July 1, 1921, to August 31, 1922.

By Hon. Mr. Dandurand:

Q. Yes, but there was \$25,000 for the—?—A. We paid that ourselves prior to this date. Mr. Gallagher gave that in evidence.

By the Chairman:

Q. It is fair to say, then, that you spent at least one-third of the public monies on The *Veteran*?—A. There are \$24,000 or \$25,000—

Q. Say yes or no, then you may explain. Is it correct to say that you have spent, to be exact, according to your own figures, \$52,000 out of that \$150,000 on the *Veteran* for one purpose or another?—A. No, it is hardly correct, because the total revenue for that period was \$150,000, of which \$130,000 was from the Great War Veterans' Association.

Q. I know. I want to know how much of that money was spent on the *Veteran*? You said \$52,000?—A. Approximately \$52,000.

Q. Do you think it was fair to apply public moneys for the purpose of forcing the Government to pay a bonus, or as a means of making propaganda to secure more money from the Government?—A. It was not used for that purpose, sir.

Q. Did not The *Veteran* consistently and constantly advocate the payment of a bonus?—A. No, sir.

Q. Never did?—A. No, sir, did not advocate the \$2,000 bonus.

Q. I didn't say \$2,000; I said a bonus. I am going to be very frank with you. I personally do not think it was proper that public money should be used for the purpose of compelling the Government to pay more public money?—A. It was not used for that purpose.

Q. Do you mean to say that the *Veteran* did not advocate the payment of a bonus?—A. Not prior to the period of 1921 I do not think there was any editorial reference of any kind, in the *Veteran*, advocating the payment of a bonus.

Q. There was some prior to that?—A. Very little. I remember the *Veteran* was brought under very severe criticism from other veterans organizations because it did not advocate the bonus. The *Veteran* stood for an adequate plan that would solve the problem.

Q. Do you think, yourself, that it was a proper thing for the organization to do, to get public moneys in order that you might make iron rods to whip more money out?—A. That was not done.

Q. I ask your opinion as to that; would that be right, would that be fair, would that be proper?—A. The *Veteran* was a medium voicing the views of ex-service men, and did so fearlessly and independently.

Q. I am putting to you a very plain question; I am asking you now if you would consider it fair that public moneys should be pressed for and secured, and then used for the purpose of urging more public money to be paid?—A. Of course the question does not apply, sir.

Q. It does apply or it does not; pray answer my question?

Hon. Mr. SHARPE: He says the paper was not doing that kind of thing.

The CHAIRMAN: He does not say that fairly; after a certain date, he says.

Hon. Mr. SHARPE: I think that is the most unfair question you ever asked at this table, Mr. Chairman, and I do not think that is quite fair, honestly.

The CHAIRMAN: I am putting my question as a hypothetical one; I am asking him would he consider that fair and proper.

Hon. Mr. SHARPE: If they did it; but he says they did not do it.

The CHAIRMAN: He says they did not do it after a certain date, 1921.

By the Chairman:

Q. You decline to answer the question?—A. Hypothetically if you put that question, I think it would not be fair; in this instance we did not use the public funds, and we did not advocate the bonus. We can file the copies of the *Veteran*.

Q. I will take your own statement; you say you did not after a certain date; the inference is invincible that you did it before that?—A. No, sir, not the bonus, we did not advocate. If you wish me to go into the details as to the various demands of ex-service men prior to that I will do so, but speaking of the direct bonus to ex-service men, I do not remember, although I did not have control of the editorial policy of the *Veteran* at any time, I do not remember it advocating the direct bonus as such.

By Hon. Mr. Macdonell:

Q. It has taken \$98,000 to run your institution and carry on your work; you have had \$150,000, you spent \$52,000 on the *Veteran*, therefore the large balance has been used in running the institution?—A. In running the adjustment service proper.

Q. Is it a profitable service to the veterans?—A. To it we added twice the sum from our own treasury.

Captain SHAW: That was not the question; the Senator wanted to know if it was a profitable service.

The WITNESS: We consider that it was profitable to the veterans, in whose interests we served. That is shown by the statistics of our office.

By Hon. Mr. Macdonell:

Q. You got \$150,000, of which the *Veteran* got \$52,000; is it proper under the circumstances to consider that that is what it cost to run it?—A. Yes, we can demonstrate that.

Hon. Mr. SHARPE: Besides that they put up double the money from their own pockets, so it has cost that much.

The WITNESS: May I remind you, also, that the money has been spent on subscriptions to the *Veteran*, under the agreement as shown by Mr. Cox's office, and in the conduct of information service. We had to employ the *Veteran* to convey to ex-service men generally a full and adequate knowledge of the regulations as they existed at that time, that were made to finally dispose of all claims with regard to post-war benefits. Mr. Cox, the Trustee, gave evidence

to that effect this morning, and to the value of that service, not only to the Veterans themselves, but of value in the public interest.

By Captain Colebourne:

Q. It was stated here that the G.W.V.A. was the only organization doing adjustment work; I would like to know if the adjustment bureau had any separate identity, or whether it is not the fact that the G.W.V.A. and the adjustment bureau are one and the same thing?—A. The adjustment bureau is run by the G.W.V.A. It is one of the activities conducted by the G.W.V.A., separate and distinct from other activities.

Q. Have you anything in the nature of letter paper, or anything of that description, referring to an adjustment bureau?—A. The correspondence is all done on the letter-head of the G.W.V.A., because it is a strictly G.W.V.A. enterprise.

Q. As a matter of fact it is just the one thing; it is the G.W.V.A. combined?—A. The organization has thrown almost its entire service into the conduct of this bureau, and practically no other activity is maintained.

Q. I would like to ask you whether any organization, a constituent of the Dominion Veterans' Alliance, has ever asked you to perform any adjustment work at all?—A. Yes, other organizations have asked us to do it, and we have done so on request.

Q. Can you give me the names of those organizations?—A. Just simply as a courtesy.

Q. I mean a constituent of the Alliance?—A. Well, just in individual cases; an organization might write in and say—

Q. Is it not the fact, then, that the whole of the organizations constituting the Dominion Veterans' Alliance do their own adjustment and service work, and have always done so?—A. Not in the volume conducted by the G.W.V.A., or in the way.

Q. I am not speaking of the volume, or taking credit from the G.W.V.A. for the amount of adjustment work it has done, but I would like to ask if it is not a fact that the whole of the organizations constituting the Dominion Veterans' Alliance have done their own adjustment and service work?—A. I have never denied that. We have branches of our organization all over the country that have done valuable service in that regard. Mr. Shaw's question related to the operation of an organized bureau in the city of Ottawa, and my answer was that we were the only organization to conduct during those years a properly staffed and properly organized adjustment bureau.

Q. You referred to antagonisms from other organizations; does that refer in any way to the Army and Navy Veterans'?—A. If I am compelled to answer that question I will do it, but I have carefully refrained from that in this inquiry.

Q. It is a straight question, and I would like an answer, for I am very jealous of my Association?—A. I say the policy of the Board of the G.W.V.A. during the last three months, in any event, was not only for the G.W.V.A. but in the interest of ex-service men in Canada.

Q. During the last three months only?—A. Yes.

Q. With regard to the *Veteran*, it was supposed to have dispensed the news to the ex-service men generally; is it not the fact that there are other publications that dispense that sort of news to ex-service men?—A. I made no statement in that regard. There are other publications. I did not deny the existence of other publications.

Q. I would like to ask about this Dominion Veterans' Alliance, \$19,000; does not that include the proportion of salaries in connection with that work?—A. Yes; it is itemized in the statement.

Q. The members of the other organizations, constituent of the Alliance, had to pay the whole of their expenses to the Council meetings held in connection

with the Dominion Veterans' Alliance, and I think 25 or 28 of those meetings or conference were held in Ottawa, and they never charged the G.W.V.A. or anybody else a cent?—A. The statement makes no reference to similar expenses incurred by the G.W.V.A. It refers to those activities endorsed by the Alliance and left with the G.W.V.A. to conduct solely on their own expenses.

Captain A. COLEBOURNE, Dominion Secretary-Treasurer, Army and Navy Veterans' Association: During the whole time I was connected with the Alliance I never charged a cent of my salary to the Dominion Veterans' Alliance, and I attended some 30 meetings, and had to come from Montreal to do so, and nothing whatever was charged in connection with that work.

THOMAS CLARK LAPP, Managing Editor, "The Veteran," was called as a witness, and, having been duly sworn, testified as follows:—

By the Chairman:

Q. You may read your statement?—A. Yes, sir. (Reads statement, filed and marked Exhibit 14).

Q. That statement was prepared by you?—A. Yes.

Q. That is the evidence which you propose to give on oath?—A. Yes.

Q. And it is correct?—A. It is correct.

By Captain Shaw:

Q. A sum of \$25,000 was paid to the *Veteran* by the G.W.V.A.?—A. Under an arrangement some time in the summer or fall of 1921 a plan was evolved for bringing to the attention of large groups of veterans, over and above the circulation at that time, information relative to pensions and re-establishment generally in an effort to adjust a large number of outstanding claims. It was considered that the *Veteran* might be a proper instrument for that purpose, because at that time it had a circulation of 43,000. There were added to the list, under that arrangement, some 25,000 names, and carried for two years at the rate of a dollar a year, which represented the cost of paper and printing of those additional copies. The present circulation is 43,000, so there has been no addition to the circulation as a result of those extra copies. As a matter of fact, the addition of those 25,000 names did not assist us in any way, because we did not raise our advertising rates. The only revenue we got from it was the dollar a year, which scarcely covered the cost of printing and distribution of those copies.

Q. This addition of 25,000 names of veterans was undertaken with the work to which Mr. Cox referred this morning?—A. Yes.

Q. And then a dollar a year was advanced out of this fund, which would be approximately \$50,000?—A. About that.

By Hon. Mr. Griesbach:

Q. According to this letter, the value of your property, your assets, is \$17,000?—A. Including unexpired advertising contracts.

Q. Who does your printing?—A. It is printed under contract with the Ontario Press, Limited, Toronto.

Q. And what do you owe them at the present moment?—A. I am not sure of the figures; that is in the hands of the auditor and bookkeepers, who are located in Toronto.

Q. \$10,000?—A. I would not like to say offhand.

Q. As a matter of fact, \$16,000?—A. I could not give you any approximate figure.

Q. But you must know; you must have some idea?—A. The managing editor resides in Toronto, that is, the official managing editor. I do the bulk of the correspondence work regarding circulation and such items as that, but that is entirely in his control—the financing.

Q. You say to this Committee that you have not the faintest idea what you owe for publication?—A. I could not give an approximate figure. There is an amount owing, I will say that.

Q. It is a large amount, too?—A. It is an amount that was owing prior to November, 1923. Since that time our revenue has been in excess of our expenditure, and as a matter of fact payments have been made.

Q. On account of it?—A. On account of it, yes.

Q. The *Montreal Gazette* formerly printed your paper?—A. Yes, at one time.

Q. Surely you must have some idea; you have given us a lot of information that would not fall within the purview of the editor; you have given us the value of what you own; now it seems to me you should be able to tell us approximately what you owe, otherwise your statement is not of much use?—A. I took active responsibility in regard to the business details in 1923. Before that I was editor only, and my concern at that time was merely to relieve the Toronto office of a great deal of work that they had been carrying. I did not assume any responsibility in regard to financing.

Q. But you brought here a letter in which you give what the company own, say \$17,000?—A. That is from my own personal knowledge.

Q. I cannot for the life of me understand why you did not go a step further and say what this company owe?—A. That is a mere statement from my own personal knowledge of the equipment in the Toronto office.

Q. Your manager has not gone over those figures at all?—A. No.

Q. Why did you not bring a statement from your manager?—A. I did not know that this question was going to be raised till this morning, about the assets.

Q. The letter has been written since you came here?—A. I wrote the letter to-day noon.

Q. I must say your letter is not of much use unless you show us the liabilities?—A. That was put in as a result of the question asked this morning, as to the value of the assets of the Association. That is the only thing I was concerned in. I had an idea of the approximate value; that is why I put that in.

Q. It cannot be of very much value if you owe a considerable amount for printing; that has a pronounced effect on your assets?—A. But in relation to the \$25,000, that is the only reason why it was put in here.

Q. It is all related; the liabilities are related to the assets?—A. No, the question asked this morning dealt with the \$25,000. I only put in the letter to show the existing assets as approximately representing some value in relation to the \$25,000.

By the Chairman:

Q. I suppose there is one or more files of the *Veteran* from the beginning until to-day?—A. Yes sir, I have two complete sets.

Q. Would you send one to the Committee here?—A. With pleasure.

Captain SHAW: I brought them here to-day.

The CHAIRMAN: I think your idea was to put them in as an exhibit. I only want it as an exhibit.

Captain SHAW: I am quite satisfied.

The CHAIRMAN: Now are we finished with the hearing of witnesses?

Captain SHAW: That is all.

EXHIBITS
EXHIBIT NO. 1

BLATCH AND BOUNSALL
CHARTERED ACCOUNTANTS
SPARKS CHAMBERS, 193 SPARKS ST.,

OTTAWA, May 26, 1925.

C. G. MACNEIL, Esq.,
Dominion Secretary-Treasurer, G.W.V.A. of Canada.
Citizen Building, Ottawa, Ont.

DEAR SIR,—I hereby certify, to the best of my knowledge, that all monies received, whether in cash, cheques or other instruments, have been deposited in the bank to the credit of the Association. All expenditure has been properly authorized and paid by cheque signed by the Secretary-Treasurer of the Association and countersigned by myself after the examination of the account or voucher for which the cheque was payable.

I have had at all times access to all books, records, vouchers and other documents in the Offices of the Association. All information and explanations I have required have always been cheerfully given.

Yours very truly,

GEO. L. BLATCH, F.C.A.,
Auditor.

GREAT WAR VETERANS' ASSOCIATION

INTERIM BALANCE SHEET AS AT MAY 1, 1925

<i>Assets</i>			
Accounts Receivable—			
Branches—Supplies.....	\$ 3,737 74		
Branches—Per Capita Tax.....	5,000 00		
		\$ 8,737 74	
Less reserve for bad debts.....	\$837 62		
	185 68		
		651 94	\$ 8,085 00
Furniture and fixtures.....	\$ 10,996 85		
Less reserve for depreciation.....	3,252 30		
			7,744 55
The Veteran Limited (due from).....			10,390 17
The Veteran Limited shares (par value).....			25,000 00
Cash in bank (less o/s cheques).....	439 54		
Cash in hand.....	25 82		
			465 36
			<u>\$ 51,685 88</u>
<i>Liabilities</i>			
Accounts Payable.....	\$ 1,071 97		
Winnipeg Branch (Loan Account).....	500 00		
Surplus June 1, 1923, brought forward.....	\$ 58,733 14		
Deduct excess of expenditure April 30, 1925.....	8,619 23		
Balance—Surplus April 30, 1925.....			50,113 91
			<u>\$ 51,685 88</u>

As the books are not being closed at this date inventories remain in the expenditure accounts represented by them.

Audited and certified correct, subject to above.

BLATCH, BATES & CO.,
F.C.A.

GEO. L. BLATCH,
Chartered Accountant.

OTTAWA, May 23, 1925.

SPECIAL COMMITTEE

THE GREAT WAR VETERANS' ASSOCIATION

CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURE FROM APRIL, 1917 TO APRIL 30, 1925

<i>Revenue</i>		
Per Capita Tax.....		\$ 121,927 13
Sales badges.....	\$ 98,533 33	
Stationery and Supplies.....	4,820 86	
Charters.....	3,386 64	
Constitutions.....	613 44	
By-laws and booklets.....	170 50	
Valuable Service Certificates.....	99 50	
		107,624 27
Scots Guards band.....		9,464 21
Bovril competition.....		90 14
Keeping Faith Fund.....		2,386 35
Carry-On Fund.....		9,585 23
National Alumni.....		2,949 92
Duchess Connaught hospital.....		664 90
Donations, 1917.....		2,752 00
Interest.....		978 13
The Veteran Limited.....		1,060 08
Collections for branches.....		432 33
Dominion Command membership.....		61 00
Poppy Day Campaigns (statement attached).....		25,148 15
Secretarial service.....		2,250 00
Refunds of advances.....	\$ 101 00	
Travelling expenses.....	181 75	
Telephone, telegrams, postage.....	11 72	
Exchange.....	0 42	
		294 89
War Purchasing Commission.....		92,608 21
Advances Canteen Fund.....	\$ 130,000 00	
Disablement Fund.....	20,000 00	
		150,000 00
Cash over.....		80 16
Accounts receivable June 30, 1918.....		2,213 30
		532,570 40
Total Revenue.....		\$ 532,570 40
Capital receipts—		
Furniture and fixtures.....	\$ 1,036 65	
Per Capita Tax (unpaid).....	5,000 00	
		6,036 65
	<i>Expenditure</i>	\$ 538,607 05
Purchases badges.....	\$ 47,260 97	
Office supplies.....	20,928 29	
Charters.....	1,213 54	
Constitutions.....	822 97	
Valuable Service Certificates.....	216 25	
		\$ 70,442 02
Legal expenses.....	\$ 689 00	
Special information (re Dace).....	103 51	
Salaries.....	142,528 70	
Postage, telegrams, telephones.....	21,293 88	
Travelling expenses.....	47,369 90	
General expenses.....	8,601 93	
General expenses.....	841 47	
Rent.....	14,082 26	
Convention expenses.....	6,346 83	
Insurance.....	729 64	
Interest.....	182 04	
		242,769 16
Membership Information Service.....		44,573 73
Fraternal Ritual Competition.....		500 00
Clean Sweep Campaign (printing and advertising).....		3,394 52
R. B. Maxwell, expenses South Africa.....		3,000 00
Membership B.E.S.L.....		449 00
Information Service.....		11,982 76
The Veteran Limited.....		796 34
War Purchasing Commission.....		92,608 21
Fourandex.....		103 00
Advances Provincial Commands.....		11,200 00
Accounts payable, period ended June 30, 1918.....		1,290 97
		483,109 71
Total operating expenditure.....		\$ 483,109 71
Capital expenditure—		
Furniture and fixtures.....	\$ 1,036 65	
Depreciation and B/D Reserve.....	4,089 92	
Adjustment, Branch Accounts (written off).....	256 86	
		5,383 43
		\$ 488,493 14
Surplus as per balance sheet.....		50,113 91
		\$ 538,607 05

SUPPLEMENTARY STATEMENT POPPY CAMPAIGN 1922-3-4

1922

<i>Sales—</i>			
Nov. 1, 1922			
Jan. 9, 1923—Received by Imperial Bank, Toronto, as per their statement January 9, 1923.....		\$ 31,452 48	
Jan. 11, 1923			
Feb. 13, 1923—Received by G.W.V.A.....		3,264 45	
	Proceeds of sales.....		\$ 34,716 93
<i>Purchases—</i>			
Dec. 1, 1922			
Jan. 19, 1923—Invoices paid Josephine Dewitt as per bank statement January 9, 1923.....	\$ 25,793 93		
	Deduct stock unsold (carried forward) 1924..	2,306 40	
	Cost of Poppies sold.....	\$ 23,487 53	
	Gross profit 32.3%.....	11,229 40	
		\$ 34,716 93	\$ 34,716 93
Gross profit forward.....			\$ 11,229 40
Bank charges stamps, etc.....	\$ 14 93		
Administration costs estimated at 15% on sales.....	5,207 54		
Net profit (1922) 17.3%.....	6,006 93		
		\$ 11,229 40	\$ 11,229 40

1923

<i>Sales—</i>			
Received by Canadian Bank of Commerce.....		\$ 25,595 23	
Received by G.W.V.A.....		6,088 80	
	Proceeds of sale.....		\$ 31,684 03
<i>Purchases—</i>			
D.S.C.R. as per their statement November 22, 1923.....		\$ 26,696 36	
Deduct stock unsold (carried forward).....		1,676 11	
	Cost of poppies sold.....	\$ 25,020 25	
	Gross profit 21%.....	6,663 78	
		\$ 31,684 03	\$ 31,684 03
Gross Profit forward.....			\$ 6,663 78
Interest earned.....			15 15
Administration costs charged direct.....	\$ 109 35		
Balance administration costs charged General Account.....	4,643 25		
15% of sales.....		\$ 4,752 60	
Net profit 6.1%.....		1,926 33	
		\$ 6,678 93	\$ 6,678 93

1924

<i>Sales—</i>			
Nov. 28, 1924			
Jan. 27, 1925—Received by Canadian Bank of Commerce as per bank pass book.....		\$ 34,844 05	
Nov. 30, 1924			
Feb. 28, 1925—Received by G.W.V.A as per cash book...		4,434 55	
	Total proceeds of sales.....		\$ 39,278 60
<i>Purchases—</i>			
1922 stock on hand.....		\$ 2,306 40	
1923 stock on hand.....		1,676 11	
D.S.C.R. net credit (1924).....		27,876 07	
	Gross profit 18.9%.....	7,420 02	
		\$ 39,278 60	\$ 39,278 60
Gross profit forward.....			\$ 7,420 02
Interest earned (bank).....			1 23
Administration charged direct.....	\$ 57 15		
Administration included in General Account.....	5,834 64		
15% of sales.....		\$ 5,891 79	
Net profit 3.9%.....		1,529 46	
		\$ 7,421 25	\$ 7,421 25

SUMMARY

Poppy Account credit as per General Account		\$ 25,148 15
Administration costs included in General Account estimated at—		
15 per cent of sales—1922.....	\$ 5,207 54	
15 per cent of sales—1923.....	4,643 25	
15 per cent of sales—1924.....	5,834 64	
	<u>15,685 43</u>	
Net profit as above—1922.....	6,006 93	
Net profit as above—1923.....	1,926 33	
Net profit as above—1924.....	1,529 46	
	<u>9,462 72</u>	
		<u>\$ 25,148 15</u> <u>\$ 25,148 15</u>

The proportion of Administration costs is estimated.
Sales Account credited with cash proceeds only.

Year	Sales	Cost	Gross Profit	Adminis- tration Expenses	Net Profit
1922.....	\$ 34,716 93	\$ 23,487 53	\$ 11,229 40	\$ 5,222 47	\$ 6,006 93
1923.....	31,684 03	25,020 25	6,663 78	4,737 45	1,926 33
1924.....	39,278 60	31,858 58	7,420 02	5,890 56	1,529 46
Total.....	\$105,679 56	\$ 80,366 36	\$ 25,313 20	\$ 15,850 48	\$ 9,462 72

Poppy-Account General Ledger Account—Credit.....		\$ 25,148 15
Add interest charged 1922 included in above.....		14 93
Add expenses charged direct included in above	{ 1923.....	109 35
	{ 1924.....	57 15
		<u>166 50</u>
		\$ 25,329 58
Deduct interest earned from expense above... { 1923.....		15 15
	{ 1924.....	1 23
		<u>16 38</u>
Gross profit as above.....		\$ 25,313 20
Deduct net administration costs as shown above.....		15,850 48

Leaving as net revenue for the three-year period..... \$ 9,462 72

I hereby certify to the correctness of the above statement of the Poppy Campaign covering the period from November 1, 1922, to February 14, 1925.

This statement is compiled from reports of the Imperial Bank of Canada at Toronto, the Canadian Bank of Commerce at Ottawa, the books of the G.W.V.A. Dominion Command and the Statement and Invoices of the Veterans Shops at Toronto.

GEO. L. BLATCH, F.C.A.
Auditor, G.W.V.A. Dominion Command.

EXHIBIT NO. 2

DEPARTMENT OF SOLDIERS' CIVIL RE-ESTABLISHMENT

OTTAWA, May 15, 1925.

Return to an Address of the Senate, for a Return showing:

(a) The amounts of money paid by the Government to C. G. MacNeil or the Great War Veterans' Association in connection with the inquiry of the Royal Commission on pensions and re-establishment.

(b) A statement showing the amounts of money paid by the Government to Mr. Bowler, barrister, of Winnipeg, for legal, or other charges, in connection with the inquiry of the Royal Commission on pensions and re-establishment; and

(c) Showing authority for such payments, for what purposes, and the dates when same were made.

ANSWERS

(a) A statement, showing the amounts of money paid by the Government to C. G. MacNeil or the Great War Veterans' Association in connection with the inquiry of the Royal Commission on pensions and re-establishment and the purposes for which payments were made, is attached marked Appendix A.

(b) A statement, showing the amounts of money paid, by the Government to Mr. Bowler, barrister, of Winnipeg, for legal, or other charges, in connection with the inquiry of the Royal Commission on pensions and re-establishment and the purposes for which payments were made, is attached marked Appendix B.

(c) Authority for the payments is contained in Order in Council P.C. 1525 of July 22, 1922, a copy of which is attached marked Appendix C; (except item to the G.W.V.A. of May 6, 1923 which was authorized by appropriation Vote No. 543 of 1923-24).

(Signed) N. F. PARKINSON,
Deputy Minister of Soldiers' Civil Re-establishment.

Moved by: Hon. Mr. Griesbach.
Reference No. 13.

APPENDIX A

STATEMENT of payments made to C. G. MacNeil in connection with the inquiry of the Royal Commission on pensions and re-establishment and the purposes for which payments were made.

December 17 to December 24, 1922—Travelling expenses.....	\$	72 13
December 26 to January 4, 1923	"	116 80
January 13 to January 19, 1923	"	161 65
January 30 to February 1, 1923	"	57 30
January 20 to January 26, 1923	"	77 09
February 13 to February 16, 1923	"	61 05
February 2 to February 13, 1923	"	170 50
March 14 to March 24, 1923	"	168 04
February 17 to March 1, 1923	"	138 60
February 28 to March 14, 1923	"	200 35
March 26 to April 10, 1923	"	303 72
April 11 to May 15, 1923	"	230 35
	\$	<u>1,757 58</u>

G.W.V.A.—

December, 1922, and January, 1923—Telephone calls.....	\$	22 00
January and February, 1923	"	33 65
February and March, 1923	"	31 70
March and April, 1923	"	23 80
May 16, 1923—Grant for presentation of cases by G.W.V.A.....		5,000 00
September, 1923—Grant for general purposes Central Ont. Veterans Committee		300 00
	\$	<u>5,411 15</u>

NOTE.—This does not include the value of transportation furnished by the issue from time to time of Departmental Railway Transportation Warrants.

(Signed.) N. F. P.

APPENDIX B

STATEMENT of the payments made to Mr. Bowler, Barrister, of Winnipeg, for legal or other charges in connection with the inquiry of the Royal Commission on Pensions and Re-establishment and the purposes for which payments were made.

August 10 to 15, 1922—Expenses Winnipeg to Ottawa.....	\$	124 85
August 16 to 31, 1922—Expenses travelling and subsistence.....		160 00
September 1 to 30, 1922—	"	160 69
October 1 to 15, 1922	"	150 00
August and September, 1922—Preparation G.W.V.A. Case, 24 days at \$40.....		960 00
August, September and October, 1922—Attending sittings of Commission, 22 days at \$60.....		1,320 00
October 16 to 31, 1922—Expenses subsistence.....		160 00
November 1 to 17, 1922	"	170 00
November 18 to 20, 1922	"	29 50
October and November, 1922—Attending, perusing evidence and preparing G.W.V.A. argument 26 days at \$40.....		1,040 00
November 13, to 17, 1922—Attending sitting of Commission 5 days at \$60.....		300 00
	\$	<u>4,575 04</u>

(Signed) N. F. P.

EXHIBIT NO. 3

P.C. 1596

CERTIFIED COPY of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 16th September, 1924.

The Committee of the Privy Council have had before them a report, dated September 12, 1924, from the Minister of Soldiers' Civil Re-establishment, representing that the Assistant Deputy Minister of the Department of Soldiers' Civil Re-establishment is the trustee of a fund known as the Disablement Fund which was contributed by patriotic citizens mainly during the years 1915 and 1916, and that this fund is being used generally for the purpose of small loans to pensioners and others who are in need of immediate assistance and who, in the opinion of the departmental investigators would benefit by such assistance.

The Dominion Veterans' Alliance, which represents the various veterans' organizations throughout Canada, has for a considerable time past, maintained a service bureau in Ottawa for the purpose of assisting former members of the Forces in the presentation of claims in respect of pension, medical treatment and other matters. It is stated by the officers of the Alliance that the service given involves considerable expenditure.

On the introduction of a bill to Parliament at the last session to deal with the Canteen Funds now in the hands of the Government, provision was made for the setting aside of the sum of one hundred thousand dollars to be applied by a Board of Trustees to the maintenance of an adjustment bureau in the city of Ottawa. It was intended to utilize the Dominion Veterans' Alliance as the adjustment bureau under the provisions of that bill. Owing to the fact that this measure was introduced during the last few days of the Parliamentary session it failed to become law and consequently the monies which would have been available for the assistance of the Dominion Veterans' Alliance still remain in the hands of the Receiver-General. It is proposed to re-introduce the bill early next session.

The Minister further represents that in order to enable the Dominion Veterans' Alliance to continue its activities a loan of five thousand dollars (\$5,000) was made by the trustee of the Disablement Fund in June, 1924, and that it is now proposed that a further loan of ten thousand dollars (\$10,000) be made, subject to reimbursement of the Disablement Fund should any monies be appropriated by Parliament for the benefit of the Alliance or should the proposed allocation from the Canteen Funds be made.

The Minister states that a further loan of ten thousand dollars (\$10,000) is being made out of the Disablement Fund to the Dominion Veterans' Alliance, payable as to five thousand dollars (\$5,000) on the 1st October, 1924, and as to five thousand dollars (\$5,000) on the 1st January, 1925, and he recommends that the trustees who may be appointed after the passage of the Canteen Funds Bill at the next session of Parliament, be requested to reimburse the Disablement Fund the amount of fifteen thousand dollars (\$15,000) out of any monies transferred to such trustees under the authority of the said bill.

The Committee concur in the foregoing recommendation and submit the same for approval.

(Sgd.) E. J. LEMAIRE,
Clerk of the Privy Council.

EXHIBIT NO. 4

(Copy)

OTTAWA, ONT., January 29, 1924.

J. L. MELVILLE, Esq.,
 Supervisor of Vetcraft Shops,
 Department of Soldiers' Civil Re-establishment,
 529 Sussex Street, Ottawa, Ont.

DEAR SIR,—We are in receipt of your letter of the 21st inst., setting forth prices and conditions under which the Department of Soldiers' Civil Re-establishment is willing to supply poppies to our Association for the Poppy Campaign of 1924.

Our Association agrees to purchase poppies from your Department, (Vetcraft Branch) at the prices quoted in your letter of January 21, 1924, namely:—

Small poppies..	\$15.00 per thousand
Large poppies..	77.00 per thousand
Evergreen wreaths.. . . . .	.90 each
Sprays (Cycas and Poppies)..	1.65 each
Poppy Wreaths..	1.80 each

It is further understood:—

1. No sale of poppies will be made by your Department to Organizations or Associations at a lower price than quoted to the G.W.V.A., Dominion Command.
2. No sale of poppies will be made to any organization or to any unit or branch of The Great War Veterans' Association except through the Dominion Command, G.W.V.A., unless by mutual agreement.
3. Delivery shall be made not later than October 15, 1924, and shipments to the western and eastern provinces will be made at as early a date as possible.
4. The prices quoted by the Department, as noted above, are understood to be f.o.b. Toronto, freight charges to be debited to the account of the G.W.V.A.
5. Payments for poppy supplies, as received from Provincial Commands, G.W.V.A., are to be deposited to the credit of Poppy Day Account, 1924, in the Canadian Bank of Commerce, Ottawa, Canada, as soon after the close of the campaign as possible.
6. It is understood that the Department of Soldiers' Civil Re-establishment will undertake to prevent institutions and hospitals, other than the Vetcraft Branch under their jurisdiction, from making poppy supplies to be sold directly or indirectly by them during the Poppy Day Campaign, 1924.

The Dominion Command, G.W.V.A. agrees to accept the delivery of a preliminary order of

250,000 small poppies at..	\$15.00 per thousand
50,000 large poppies at..	77.00 per thousand

The above supplies are to be made in accordance with the specifications followed in Vetcraft manufacture for the 1923 campaign. It is understood that your Department will undertake to secure the remission of any sales tax, imposed by Government regulations on such supplies.

Yours very truly,

(Sgd.) C. G. MACNEIL,

Dominion Secretary-Treasurer, G.W.V.A. of Canada.

EXHIBIT NO. 5

(Copy)

DEPARTMENT OF SOLDIERS' CIVIL RE-ESTABLISHMENT

OTTAWA, January 30, 1924.

DEAR SIR,—I wish to thank you for your communication of yesterday's date in which you agree to purchase from the Vetcraft Branch of this Department all poppies for the 1924 campaign; the prices to be as undernoted.

Small poppies..	\$15.00 per thousand
Large poppies..	77.00 per thousand
Evergreen Wreaths.. . . . .	.90 each
Sprays (Cycas and Poppies)..	1.65 each
Poppy Wreath..	1.80 each

In connection with paragraph two of your letter, it is considered that the following proviso should be added: Where the Great War Veterans' Association are unable to arrive at a satisfactory settlement regarding the sale of poppies to any organization, the Department, through the Vetcraft Branch, shall have the opportunity to endeavour to secure the contract direct, subject to the following provisions,—(a) That the prices quoted shall not be less than that agreed on in the contract with the Great War Veterans' Association, and (b) That before taking such action the Vetcraft Branch shall advise the G.W.V.A. of such intention.

The above noted exception is made in order that no opportunity whatever shall be passed up to secure all the poppy business for the forthcoming campaign; although it is considered that your organization should secure all the orders.

Your provisional order for the undernoted is also acknowledged with thanks and work on same will be commenced immediately in order that the distribution for completion of manufacture may be effected as soon as orders are received.

250,000 small poppies at..	\$15.00 per thousand
50,000 large poppies at..	77.00 per thousand

Yours truly,

(Sgd.)

J. L. MELVILLE,

Supervisor, Vetcraft Workshops.

C. G. MACNEIL, Esq.,

Dominion Command, Great War Veterans' Association,
Citizen Building, Ottawa.

Confirmation regarding Sales Tax will be forwarded as soon as advice is received from Customs and Excise.

M.

EXHIBIT NO. 6

(Copy)

Circular to Provincial Commands

DEAR SIR AND COMRADE;—I beg to announce that tentative arrangements have been made with the Department of S.C.R. to supply Vetcraft Poppies for distribution during the 1924 Poppy Day Campaign. You are invited to consider

the plans so outlined that all Units may enter into full co-operation or permit the Dominion Command to amend the plans without financial loss.

In discussing arrangements for the 1924 Campaign, it was decided by the Dominion President that no attempt would be made to secure any profit for the Dominion Command. Although funds are sorely needed at headquarters to maintain enterprises to benefit ex-service men, there has been a great deal of criticism to the effect that the sale of poppies was commercialized by the Dominion Command. Actually, the surplus following each campaign has provided for little beyond reimbursement for expenditure undertaken. Nevertheless, it was considered advisable to renounce all prospects of gain and thus lend emphasis to the real purposes of the campaign.

Only the ordinary business precautions will be taken to prevent any actual loss. Any surplus that may result from an extraordinarily successful campaign will be devoted to any specific purpose that the members may indicate. Our plans are so designed as to enable branches distributing Vetreft Poppies to firmly assure the public that every cent raised in the campaign will benefit ex-service men even to the wages in manufacture.

One of the main purposes of the campaign is to provide relief funds in all centres through the organization of a national campaign. The idea of poppy sales for this purpose is gaining in popularity. The fact that it is becoming recognized as a national custom enables local organizations to more easily obtain the necessary concessions and co-operation for local distribution. The campaign leaves the major portion of the funds raised in the communities and thus national co-operation in distribution tends to augment local funds. The Dominion Command in assuming the role of distributing agent provides the medium for this co-operation.

Another purpose of the campaign is to provide employment for disabled men and dependents. Only disabled ex-service men and dependents are employed in the manufacture of Vetreft Poppies. If all branches co-operate in placing orders through the Dominion Command an industry is thus created which will provide sorely needed employment to seriously disabled Comrades. This year the work will be distributed through all Provinces. As much as possible this will be taken to the homes of the disabled men that their dependents may assist in supplementing the family income.

We must not overlook the sentiment that impels us to urge the people of Canada to wear the poppy on Armistice Day. In view of this sentiment, what could be more appropriate for the occasion than the Vetreft Poppy made by those maimed in the war.

In order to pay fair wages to men that cannot maintain a normal output or work regular hours, the Department of S.C.R. quotations have been slightly advanced. To this the Dominion Command has added the estimated overhead expenses of distribution, including shipping charges and losses on surplus stock. Our quotations for 1924 are shown hereunder indicating the advance made on the Department of S.C.R. prices as regards each grade of poppy or wreath.

	Vetreft— Manufacturers' Price	Dominion Command Quotation
Small poppies.. . . .	\$15.00 per thousand	\$20.00 per thousand
Large poppies.. . . .	77.00 per thousand	85.00 per thousand
Evergreen Wreath.. . . .	90 each	1.10 each
Cycas Spray.. . . .	1 65 each	1.90 each
Poppy Wreath.. . . .	1.80 each	2.15 each

It should be noted that in spite of the increase in Departmental prices, our quotations are lower than last year. We hope to protect the Dominion Command risk by an appeal for loyal co-operation.

It is recognized that commercial firms are bidding for the patronage of our branches with considerably lower quotations. This is possible as these manufacturers' employ girls cheaper and more efficient labour for this trade.

There is no advantage to branches in the purchase of the cheaper poppies from commercial firms, even if the matter is considered on strictly business basis. This point should be made clear to all branches.

The sale of Vetcraft Poppies enables a popular appeal that will bring an increase in returns much greater than the difference between commercial and vetcraft prices. During the year, the public will be made acquainted, through the press, with the conditions of Vetcraft manufacture and will be inclined to question distribution of any poppy other than that with the Vetcraft trademark.

The manufacture of poppies in each province as now arranged will provide employment for those, who, otherwise, might apply for relief.

It is also noteworthy that National organization of such a campaign provides general distribution of relief funds and thus checks to some extent the tendency toward congestion in the larger centres.

The campaign will achieve all these purposes only if all the orders are placed through one central agency, which assumes responsibility for distribution. We believe that we are justified in seeking the co-operation of all units of the Association. Please bring this matter before the branches at an early date that our plans may be clearly defined early in the year.

Yours faithfully,

(Sgd.) C. G. MACNEIL,

Dominion Secretary-Treasurer, G.W.V.A. of Canada.

EXHIBIT No. 7

CANADA
Province of Manitoba } IN THE MATTER of the Poppy Day Fund and the City
To Wit: } of Winnipeg.

We, William John Meacham, William John Le Cappellain, Albert Ernest Game, Henry N. C. Davis and William Paton of the City of Winnipeg, in the Province of Manitoba, do solemnly declare that:

1. We are members of the Poppy Day Committee of the City of Winnipeg.

2. The Poppy Day Committee of the City of Winnipeg is composed of two accredited delegates of each of the following Associations, viz.: The Imperial Veterans in Canada, Manitoba Command, The Army and Navy Veterans in Canada, Winnipeg Unit, The Amputation Association, Manitoba Command, The Naval Veterans' Association of Winnipeg, The Great War Veterans' Association, The City of Winnipeg represented by the Secretary of the Civic Charities Endorsation Bureau, who acted as Secretary-Treasurer to the Committee, The War Widows and Widowed Mothers' Association and the Ladies' Auxiliaries of the several Associations above named.

3. The Poppy Day Committee has applied each year to the Civic Charities Endorsation Bureau of the City of Winnipeg for permission to sell poppies on the streets of Winnipeg on Armistice Day of each year since A.D. 1921, such application being necessary under the bylaws of the City of Winnipeg.

4. The Poppy Day Committee purchased the poppies from the Manitoba Provincial Command of the Great War Veterans' Association in the years 1922, 1923 and 1924 at the following prices:—

1922—No record, but understand that small poppies were sold to the Committee at 4 cents each.

- 1923—Small Poppies, (5) five cents each.
 Large Poppies, (15) fifteen cents each.
 Evergreen wreath with small poppies, \$2.25 each.
 Poppy wreath with leaves, \$2.50 each.
 Cycas Leaf and Poppy Decoration, \$2.75 each.

The extra charge of one cent for small poppies was accounted for by the Great War Veterans as an additional cost for placing small label on back of poppies indicating source of manufacture (Vet Craft Shops).

- 1924—Small Poppies four cents each, no label but rubber stamp on back this year.

Large Poppies, fifteen cents each.
 Evergreen wreath with small poppies, \$2 each.
 Cycas Spray, \$2.50 each.
 Poppy wreath large poppies, \$2.75 each.

5. The quantity of poppies actually purchased by this Committee is set out as follows:—

1922—No record.

1923—50,000 small poppies at 5 cents each, cost \$2,500.
 6,150 large poppies at 15 cents each, cost \$922.
 5 evergreen wreaths, \$11.25.
 35 poppy wreaths with leaves, \$87.50.

1924—54,000 small poppies at 4 cents each, \$2,160.
 4,632 large poppies at 15 cents each, \$694.80.
 50 poppy wreaths with large poppies at \$2.75 each, \$137.50.

6. The delegates on the Poppy Day Committee for the Great War Veterans Association positively assured the said Committee that the Great War Veterans Association held an exclusive contract with the Department of Soldiers' Civil Re-establishment which provided that the poppies could not be procured from the said Department excepting through the Great War Veterans Association and that the Great War Veterans Association made no profit whatever from this contract; and further, the report of the Dominion Veterans Alliance under date of November 5, 1923, in regard to the Poppy Day Campaign Fund shows that the understanding was that no profit was made by the Great War Veterans Association out of the Poppy Day Campaign and their alleged contract.

7. As members of the Poppy Day Committee we took up with the Winnipeg Units of the following Veteran organizations: The Army and Navy Veterans in Canada, The Imperial Veterans in Canada, The Amputation Association and the Naval Veterans Association, the question of handling Poppy Day Campaigns for the future and attached hereto and marked "A" is copy of the resolution passed by the executive committee of each of the above Associations.

8. And I, William John Meacham above mentioned, do solemnly declare that I am Chairman of the Poppy Day Committee; that I have been a member of this Committee as a representative of the Army and Navy Veterans Association in Canada since the inception of the committee for the year 1922.

And I, William John Le Cappellain, do solemnly declare that I am on the said committee as a delegate from the Army and Navy Veterans in Canada and that I was president of the said Association for the years 1923 and 1924.

And I, Albert Ernest Game, do solemnly declare that I am a delegate of The Imperial Veterans in Canada on the Poppy Day Committee and that I am Provincial Secretary of the Manitoba Command of the said Association.

And I, Henry N. C. Davis, do solemnly declare that I am a delegate of The Amputation Association on the said Poppy Day Committee and that I am President of the Amputation Association for the year 1925.

And I, William Patton, do solemnly declare that I am a delegate of the Naval Veterans' Association on the Poppy Day Committee and that I was such on the said Committee for the year 1923.

And we make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of "The Canada Evidence Act".

W. R. PATTON,
H. N. C. DAVIS,
A. E. GAME,
W. J. MEACHAM,
W. J. LE CAPPELLAIN.

Severally declared before me at the City of Winnipeg, in the Province of Manitoba, this 29th day of May, A.D. 1925.

F. G. THOMPSON,

A Notary Public in and for the Province of Manitoba.

McMeans, Thompson & Kyle,

Barristers, Etc.,

Winnipeg, Man.

At a meeting held in the Bulman Block, Bannatyne Ave., Winnipeg, Headquarters of the Winnipeg Unit, Army and Navy Veterans of Canada, and at which the following associations were represented: Army and Navy Veterans, Imperial Veterans in Canada, Amputations Association and Naval Veterans' Association, the following resolution was passed:—

"In view of the fact that we are satisfied that poppies can be procured at \$15 per thousand from the Vetract Shops at Toronto, and that the Poppy Day Committee has been charged \$40 per thousand by the Great War Veterans' Association for same, we the Executive Committee of the (as the case may be) Association hereby instruct our delegates to expose this matter at the first meeting of the Poppy Day Committee with instructions to them that the question of the purchasing of poppies be left in the hands of the Poppy Day Committee, and that in future no one association have the control of purchasing poppies for the purpose of gain for themselves, and in the event of the Great War Veterans' not being willing to accede to this proposition we agree to wait on the Civic Charities Bureau, producing all correspondence in connection with the matter and ask for their opinion on same.

"If they are satisfied that the prices charged by the Great War Veterans is excessive we, the Imperial Veterans, Naval Veterans, Army and Navy Veterans, Amputations Association and any other Veterans' Associations that we agree to recognize as being carried on for the same purpose as we are organized for, immediately apply for a day to sell poppies or any other flower that may be suggested by the joint Committee, with the assurance to the Bureau that all moneys collected will be used for charitable purposes less the actual cost to the Committee for the flower."

The above resolution has been brought before the Executive Councils of the A. & N. V., the Imperial Veterans, Naval Veterans and Amputations and unanimously endorsed by them, and their delegates instructed accordingly.

This is the document marked "A" referred to in the affidavit of W. J. Meacham, W. J. Le Cappellain, A. E. Game, H. N. C. Davis and Wm. Paton, sworn before me this 29th day of May, A.D. 1925.

F. G. THOMPSON.

EXHIBIT No. 8

OTTAWA, ONT., June 8, 1925.

Hon. N. A. BELCOURT,
Chairman of Special Committee on Canteen
and Disablement Funds.

SIR,—1. In accordance with a resolution of your committee passed on Tuesday, May 19, 1925, directing an audit of the books and accounts of the Dominion Command of the Great War Veterans' Association of Canada, I have the honour to submit the following statements:—

- (a) Statement of Receipts and Disbursements July 1, 1921, to August 31, 1922, showing disposal of Canteen Funds amounting to \$130,000.
- (b) Statement of Receipts and Disbursements showing disposal of Disablement Funds amounting to \$20,000.
- (c) Consolidated statement of Revenue and Expenditure, by periods, from April 19, 1917, to April 30, 1925.
- (d) Summary of Receipts and Disbursements from July 1, 1921, to April 30, 1925.
- (e) Schedule of Travelling Expenses.
- (f) Schedule of Salaries.

2. The object in submitting (d) above, is to clearly indicate the periods in which the Canteen and Disablement Funds were expended. Owing to the merging of these funds into the general accounts of the Association it is impossible to ear-mark any items of expenditure against same except the following:—

- (1) \$29,000 paid to "The Veteran Limited" and charged to Propaganda.
- (2) \$2,700 advanced to Provincial Commands by way of loan.

3. The irregular periods shown on "Consolidated Statement of Revenue and Expenditure" are due to the fact that the books of the Association were closed out at irregular intervals dependent on the date set for the annual convention meetings of the Association.

4. It has not been possible in the time at my disposal, to establish whether all remittances from Provincial Commands and other outside points have been taken into the accounts of the Association.

5. I have examined the Interim Balance Sheet of the Association prepared by Geo. L. Blatch, F.C.A., as at May 1, 1925, and certify that it is in accordance with the accounts thereof.

Respectfully submitted,

D. GALLAUGHER,

District Inspector of Audits, Dept. S.C.R.

GREAT WAR VETERAN'S ASSOCIATION
STATEMENT OF REVENUE AND EXPENDITURE
JULY 1, 1921 TO AUGUST 31, 1922

Expenditure—

Publicity and Propaganda—			
The Veteran, Limited.....	\$	46,000 00	
J. E. March.....		1,125 00	
Miscellaneous.....		1,183 64	
			\$ 48,308 64
Salaries.....			36,653 29
Travelling Expenses.....			15,885 66
Provincial Command Loans.....			11,200 00
The Veteran Limited—			
Salaries (Oct. 1921 to Aug., 1922).....	\$	2,625 42	
Rent (Oct., 1921, to Aug., 1922).....		536 25	
J. J. Creelman a/c Tilden.....		1,071 13	
Settlement of a/c as per Statement.....		901 45	
Miller claim.....		700 00	
H. J. Elliott, K.C.....		206 70	
Miscellaneous.....		14 00	
			6,054 95
Furniture and Fixtures.....			5,861 74
Postage, Telegrams and Telephones.....			5,241 79
Office Supplies and Stationery.....			4,230 27
Rent.....			3,081 96
R. B. Maxwell (Honorarium).....			3,000 00
Convention Expenses.....			2,470 74
Clean Sweep Campaign.....			2,454 84
General Expenses.....			2,161 87
Badges.....			1,576 64
Refunds.....			573 45
Fraternal Ritual Competitions.....			500 00
Membership in B. E. Ex-Service League.....			449 00
Insurance.....			330 13
Nova Scotia Provincial Command.....			300 00
			\$ 150,334 97
<i>Revenue—</i>			
Funds in Treasury, July 1, 1921.....	\$	1,952 80	
General Receipts.....		19,062 06	
Canteen Receipts.....		130,000 00	
			151,014 86
Funds in Treasury, Aug. 31, 1922.....	\$		679 89

I hereby certify that above Statement of Revenue and Expenditure covering the period July 1, 1921, to Aug. 31, 1922, is in accordance with the records of the Association.

D. GALLAUGHER,

District Inspector of Audits.

Dept. of S.C.R.

THE GREAT WAR VETERAN'S ASSOCIATION

STATEMENT OF RECEIPTS AND DISBURSEMENTS SHOWING DISPOSAL OF DISABLEMENT FUNDS

	May-June 1923	June, 1924	October, 1924	Jan.-April, 1925	Total
<i>Receipts:—</i>					
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Funds on hand at beginning of period	83 11	47 83	103 44	71 55	305 93
Disablement funds.....	5,000 00 (f)	5,000 00	5,000 00	5,000 00	20,000 00
General receipts.....	3,465 89	552 28	635 35	7,533 63	12,187 15
Total.....	8,549 00	5,600 11	5,738 79	12,605 18	32,493 08
<i>Disbursements:</i>					
<i>Salaries:</i>					
Barrow, F. L.....	300 00	262 50	262 50	700 00	1,525 00
Bell, D.....	162 50	65 00	97 50	260 00	585 00
Campbell, B.....	250 00	150 00	150 00	400 00	950 00
Cameron, O.....	175 00	70 00	105 00	280 00	630 00
Dalton, O.....		60 00	90 00	240 00	390 00
Dix, G. M.....	550 00	137 50		137 50	825 00
Dobson, D. E.....	350 00	350 00	350 00	700 00	1,750 00
Evans, E.....		40 00	60 00	160 00	260 00
Emery, G.....	187 50				187 50
Gray, Mrs. J.....	150 00	60 00	90 00	240 00	540 00
Gilman, C. P.....	360 00	242 50	350 00	700 00	1,652 50
Herwig, J. C. G.....	350 00	350 00	350 00	700 00	1,750 00
Hough, E. J.....	300 00	180 00	240 00	480 00	1,200 00
Keeling, E. S.....	375 00				375 00
Keminisky, C.....	200 00				200 00
Lapp, T. C.....	525 00	600 00	750 00	1,200 00	3,075 00
Maharry, L.....	86 65				86 65
McNeil, C. G.....	750 00	937 50	937 50	1,500 00	4,125 00
Rosenberg, S.....	200 00	80 00	120 00	80 00	480 00
Slomensky, A.....				75 00	75 00
Livian, J.....				350 00	350 00
Total.....	5,271 65	3,585 00	3,952 50	8,202 50	21,011 65
<i>Travelling Expenses:—</i>					
Costigan, R.....	150 00				150 00
Dobson, D. E.....	200 00	20 00			220 00
Lapp, T. C.....	200 00	80 00	50 00	275 00	605 00
Martinson, J. H.....	100 00				100 00
McNeil, C. G.....			95 00	61 00	156 00
McFeat, E. G.....	175 00				175 00
Priestman, H.....	200 00				200 00
Miscellaneous.....	142 45			289 60	432 05
Office supplies and stationery.....	397 15	399 67	56 90	559 96	1,413 68
Postage, telegraph and telephone.....	471 33	412 99	322 29	855 86	2,062 47
Rent.....	574 34	574 34	534 34	1,235 85	2,918 87
Badges.....	150 00	150 00	77 12	175 00	402 12
Audit fees.....			100 00	175 00	275 00
Charters.....				105 00	105 00
Valuable Service Certificates.....				100 00	100 00
J. E. March.....	160 00				160 00
Sundries.....	211 44	53 39	67 77	130 87	463 47
Balance of funds on hand.....	8,253 36	5,275 39	5,255 92	12,165 64	30,950 31
	295 64	324 72	482 87	439 54	1,542 77
	8,549 00	5,600 11	5,738 79	12,605 18	32,493 08

NOTE.—(f) P.C. No. 1565 (Vote No. 543).

I hereby certify that above statement of Receipts and Disbursements is in accordance with the records of the Association.

D. GALLAUGHER,
District Inspector of Audits,
Dept. of S.C.R.

P.R. 5095

THE GREAT WAR VETERAN'S ASSOCIATION

CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURE FROM APRIL 19, 1917 TO APRIL 30, 1925

Details	Total (96 mos.)	April 19, 1917	July 1, 1918	May 1, 1919	Mar. 1, 1920	Sept. 21, 1921	Feb. 1, 1922	June 1, 1923
		to June 30, 1918 (14 mos.)	to April 30, 1919 (10 mos.)	to Feb. 28, 1920 (10 mos.)	to Sept. 20, 1921 (19 mos.)	to Jan. 31, 1922 (4 mos.)	to May 31, 1923 (16 mos.)	to April 30, 1925 (23 mos.)
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
<i>General Revenue—</i>								
Per Capita Tax.....	121,927 13	8,251 77	14,656 11	30,486 20	39,454 26	5,229 35	10,651 97	13,197 47
Per Capita Tax (estimated due and unpaid)	5,000 00				5,000 00			
Sale of badges.....	98,533 33	14,053 50	25,033 24	44,386 87	7,068 22	1,134 85	3,573 55	3,283 10
"Poppy Day" Fund.....	25,148 15						8,908 07	16,240 08
"Carry On" Fund.....	9,585 23							9,585 23
Scots Guards' band.....	9,464 21						9,464 21	
Stationery and supplies.....	4,820 86			3,962 52	845 69	12 65		
Charter Certificates.....	3,336 64		560 00	1,476 89	918 00	47 75	148 25	185 75
National Alumni.....	2,949 92							2,949 92
Voluntary donations.....	2,752 00	2,752 00						
"Keeping Faith" Fund.....	2,386 35						2,236 35	150 00
"Secretarial service" (T.V.A.)	2,250 00							2,250 00
Undistributed revenue.....	2,213 30	2,213 30						
(O/S A/cs. 30-6-1918)								
Bank interest.....	978 13	79 31	138 47	175 84	65 96	249 51	269 04	
Duchess of Connaught Hospital.....	664 90							664 90
Constitutions.....	613 44				496 30	9 00	52 46	55 68
Booklets, by-laws, etc.....	170 50	170 50						
Provincial Branches (collections).....	144 90	144 90						
Rent—The Veteran Limited.....	116 68		116 68					
Valuable Service Certificates.....	99 50							99 50
Bovril Competition.....	90 14							90 14
Cash over.....	80 16						80 16	
Domn. Command Br. M. Dues.....	61 00							61 00
	293,386 47	27,665 28	40,504 50	80,488 32	53,848 43	6,683 11	35,384 06	48,812 77
<i>Special Revenue—</i>								
<i>Canteen Funds—</i>								
P.C. No. 2378.....	50,000 00				40,000 00	10,000 00		
P.C. No. 3887.....	80,000 00					80,000 00		
P.C. No. 1565 (re Vote No. 543).....	5,000 00						5,000 00	
Disablement Fund.....	15,000 00							15,000 00
War Purchasing Commission.....	92,608 21			42,174 71	50,433 50			
	535,994 68	27,665 28	40,504 50	122,663 03	144,281 93	96,683 11	40,384 06	63,812 77
General expenditure.....	485,880 77	16,736 25	31,839 04	101,746 83	118,889 36	63,610 76	80,626 53	72,432 00
Surplus as per balance sheet.....	50,113 91	10,929 03	8,665 46	20,916 20	25,392 57	33,023	40,242 47 (2)	8,619 23 (2)

THE GREAT WAR VETERAN'S ASSOCIATION
 CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURE FROM APRIL 19, 1917, TO APRIL 30, 1925

Details	Total (96 mos.)	April 19, 1917	July 1, 1918	May 1, 1919	Mar. 1, 1920	Sept. 21, 1921	Feb. 1, 1922	June 1, 1923
		to June 30, 1918 (14 mos.)	to April 30, 1919 (10 mos.)	to Feb. 28, 1920 (10 mos.)	to Sept. 20, 1921 (19 mos.)	to Jan. 31, 1922 (4 mos.)	to May 31, 1923 (16 mos.)	to April 30, 1925 (23 mos.)
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
<i>General Expenditure—</i>								
Salaries.....	142,588 70	5,442 90	6,522 09	11,647 89	24,272 96	11,824 18	41,606 80	41,271 88
Badges.....	47,255 97	6,287 02	11,930 70	19,413 58	5,156 59	576 52	1,813 94	2,077 62
Travelling expenses.....	45,467 62	1,110 88	4,898 15	13,991 01	12,921 82	5,257 31	6,013 14	1,275 31
Publicity and Propaganda.....	44,573 73					28,085 86	14,136 14	2,351 73
Postage, telegrams and telephones.....	20,648 34		1,259 24	4,188 09	4,570 75	2,562 30	4,307 49	3,760 47
Stationery, etc.....	20,400 12	1,405 69	1,180 05	5,032 52	2,434 37	1,783 13	5,122 21	3,442 15
Rent.....	14,030 18	678 49	775 02	1,206 66	2,525 38	1,235 85	3,882 22	3,726 56
Propaganda.....	11,982 76				11,982 76			
Advances Provincial Commands.....	11,200 00							11,200 00
Convention expenses.....	6,346 83		320 16	922 15	784 52	2,918 50		1,401 50
General expenses.....	6,287 61		840 30	1,071 94	1,364 72	497 83	1,667 30	845 52
Clean Sweep Campaign.....	3,394 52					3,394 52		
R. B. Maxwell (honorarium).....	3,000 00					3,000 00		
General expenses (Halifax Office).....	2,167 02		730 66	1,192 07	244 29			
President's travelling expenses.....	1,770 00		1,770 00					
Undistributed expense.....	1,290 97	1,290 97						
(O/S/ A/cs. 30-6-1918)								
Charter Certificates.....	1,213 54		356 85	323 77	315 81	27 51	34 30	155 30
General printing.....	992 16		992 16					
Constitutions.....	822 97				448 99	6 29	29 03	338 66
Legal expenses and Regn. fees.....	787 70	98 70				689 00		
Insurance Premiums.....	729 64			27 00	104 00	110 67	300 96	187 01
Fraternal Ritual Competition.....	500 00					350 00	150 00	
Membership B.E.S.L.....	449 00					449 00		
Booklets, by-laws, etc.....	246 70	246 70						
Interest and exchange.....	182 04							182 04
Valuable Service Certificates.....	216 25							216 25
Miscellaneous.....	823 95	174 90			434 08	110 72	104 25	
	389,368 32	16,736 25	31,575 38	59,016 68	67,561 04	62,879 19	79,167 78	72,432 00
Depen. on furniture and fixtures.....	3,252 30		263 66	103 72	746 54	678 38	1,460 00	
Bad debts reserve.....	651 94			451 72	148 28	53 19	1 25 (1)	
War Purchasing Commission.....	92,608 21			42,174 71	50 433 50			
Total.....	485,880 77	16,736 25	31,839 04	101,746 83	118,889 36	63,610 76	80,626 53	72,432 00

NOTE.—(1) Decrease in reserve.

NOTE.—(2) Deficit—No allowance has been made for Inventories of Supplies on hand at April 30, 1925.

I hereby certify that above consolidated statement of Revenue and Expenditure covering the period April 19, 1917, to April 30, 1925, is in accordance with the records of the Association.

D. GALLAUGHER,
 District Inspector of Audits, Dept. of S.C.R.

THE GREAT WAR VETERAN'S ASSOCIATION OF CANADA
SUMMARY OF RECEIPTS AND DISBURSEMENTS JULY 1, 1921 TO APRIL 30, 1925

Date	Receipts			Disbursements			Funds on Hand	
	G.W.V.A.	Canteen	Total	G.W.V.A.	Canteen	Total	G.W.V.A.	Canteen
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
1921								
July 1	1,952 80		1,952 80				1,952 80	
31	704 02	20,000 00	20,704 02	1,952 80	2,564 92			
31				704 02		5,221 74		17,435 08
Aug. 31	602 55	10,000 00	10,602 55	602 55	13,729 89	14,332 44		13,705 19
Sept. 20	3,158 12	10,000 00	13,158 12	3,158 12	2,946 29	6,104 41		20,758 90
30	1,479 89		1,479 89	1,479 89	4,786 97	6,266 86		15,971 93
Oct. 31	3,310 02	20,000 00	23,310 02	3,310 02	15,309 77	18,619 79		20,662 16
Nov. 30	1,025 80	60,000 00	61,025 80	1,025 80	18,705 62	19,731 42		61,956 54
Dec. 31	854 04	10,000 00	10,854 04	854 04	14,298 58	15,152 62		57,657 96
1922								
Jan. 31	356 27		356 27	356 27	10,404 42	10,760 69		47,253 54
Feb. 28	647 60		647 60	647 60	8,071 64	8,719 24		39,181 90
Mar. 31	1,154 12		1,154 12	1,154 12	18,281 18	19,435 30		20,900 72
April 30	1,690 34		1,690 34	1,690 34	6,295 91	7,986 25		14,604 81
May 31	798 05		798 05	798 05	5,531 91	6,329 96		9,072 90
June 30	434 55		434 55	434 55	4,441 87	4,876 42		4,631 03
July 31	1,167 93		1,167 93	1,167 93	2,728 13	3,896 06		1,902 90
Aug. 31	1,678 76		1,678 76	1,678 76	1,223 01	2,901 77		679 89
	21,014 86	130,000 00	151,014 86	21,014 86	129,320 11	150,334 97		679 89
Sept. 22	10,039 21 (a)							
30	3,366 72		13,405 93	3,296 03	679 89	3,975 92	10,109 90	
Oct. 31	700 83		700 83	4,669 55		4,669 55	6,141 18	
Nov. 30	369 04		369 04	3,345 52		3,345 52	3,164 70	
Dec. 31	903 24		903 24	3,648 52		3,648 52	419 42	
1923								
Jan. 31	7,310 24 (b)							
31	1,748 84		9,059 08	4,518 40		4,518 40	4,960 10	
Feb. 28	1,597 83 (c)			1,500 00 (d)				
28	813 71		2,411 54	3,730 24		5,230 24	2,141 40	
Mar. 31	1,500 00 (e)							
31	456 40		1,956 40	2,512 20		2,512 20	1,585 60	
April 30	1,469 16		1,469 16	2,971 65		2,971 65	83 11	
May 31				83 11				
31	1,348 62	5,000 00 (f)	6,348 62	1,348 62	3,498 63 (f)	4,930 36		1,501 37 (f)
June 30	2,117 27		2,117 27	2,117 27	1,205 73 (f)	3,323 00		295 64 (f)
July 31	1,686 77		1,686 77	1,486 04	295 64 (f)	1,781 68	200 73	
Aug. 31	1,086 08		1,086 08	947 88		947 88	338 93	
Sept. 30	2,214 93							
30	500 00 (g)		2,714 93	2,935 28		2,935 28	118 58	

THE GREAT WAR VETERAN'S ASSOCIATION OF CANADA
SUMMARY OF RECEIPTS AND DISBURSEMENTS JULY 1, 1921 TO APRIL 30, 1925

Date	Receipts			Disbursements			Funds on Hand	
	G.W.V.A. \$ cts.	Canteen \$ cts.	Total \$ cts.	G.W.V.A. \$ cts.	Canteen \$ cts.	Total \$ cts.	G.W.V.A. \$ cts.	Canteen \$ cts.
1923								
Oct. 31.....	7,492 87		7,492 87	5,763 79		5,763 79	1,847 66	
Nov. 30.....	1,026 89		1,026 89	2,670 30		2,670 30	204 25	
Dec. 31.....	2,115 94							
31.....	1,000 00 (h)		3,115 94	2,883 35		2,883 35	436 84	
1924								
Jan. 31.....	4,338 24		4,338 24	3,401 00		3,401 00	1,374 08	
Feb. 28.....	1,136 11		1,136 11	2,267 78		2,267 78	242 41	
Mar. 31.....	4,896 61		4,896 61	2,675 99		2,675 99	2,463 03	
April 30.....	1,056 69		1,056 69	3,421 73		3,421 73	97 99	
May 31.....	1,024 02		1,024 02	1,074 18		1,074 18	47 83	
June 30.....				47 83				
30.....	552 28	5,000 00 (i)	5,552 28	552 28	4,675 28 (i)	5,275 39		324 72 (i)
July 31.....	2,684 11		2,684 11	2,537 94	324 72 (i)	2,862 66	146 17	
Aug. 31.....	1,604 87		1,604 87	1,726 15		1,726 15	24 89	
Sept. 30.....	1,002 55		1,002 55	924 00		924 00	103 44	
Oct. 31.....				103 44				
31.....	635 35	5,000 00 (i)	5,635 35	635 35	4,517 13 (i)	5,255 92		482 87 (i)
Nov. 30.....	4,826 73		4,826 73	3,355 54	482 87 (i)	3,838 41	1,471 19	
Dec. 31.....	1,060 06		1,060 06	2,459 70		2,459 70	71 55	
1925								
Jan. 31.....				71 55				
31.....	1,268 81	5,000 00 (i)	6,268 81	1,268 81	2,312 89 (i)	3,653 25		2,687 11 (i)
Feb. 28.....	3,248 81		3,248 81	3,086 34		3,086 34	162 47	2,687 11 (i)
Mar. 31.....				162 47				
31.....	1,093 23		1,093 23	1,093 23	1,691 04 (i)	2,946 74		996 07 (i)
April 30.....	1,922 78		1,922 78	1,922 78	556 63 (i)	2,479 31		439 54 (i)
	104,230 70	150,000 00	254,230 70	104,230 70	149,460 46	253,791 16		439 54 (i)

NOTES—

(a) Scots' Guards' Band. (b) "Poppy Day" Funds. (c) "Poppy Day" Funds. (d) Cheque No. 1207 issued to The Veteran, Ltd., 28-2-23 and charged to "Publicity and Propaganda". (e) Refund of (d). (f) P.C. No. 1565 (Vote No. 543) Funds. (g) Manitoba Command Loan. (h) Bank of Commerce Loan. (i) Disablement Fund. (\$16,240.86 "Poppy Day" Funds included in receipts for period Sept. 1923, to Feb. 1925.)

I hereby certify that above "Summary of Receipts and Disbursements" is in accordance with the records of the Association.

D. GALLAUGHER,
District Inspector of Audits,
Dept. S.C.R.

CANTEN AND DISABLEMENT FUNDS, ETC.

SALARIES—JULY 1, 1921, to AUGUST 31, 1922

Schedule No. 1.

Bell, Doris.....	\$	665	17
Barrow, F. L.....		1,410	00
Campbell, B.....		1,252	50
Cameron, O. E.....		898	05
Dobson, D. E.....		1,832	50
Duffy, L. F.....		2,413	96
Dix, G. M.....		3,089	44
Emery, G. A.....		612	10
Fawcett, A.....		432	85
Gray, Mrs. J.....		654	00
Gilman, C. P.....		720	00
Howard, M. I.....		255	00
Haugh, E. J.....		1,730	00
Harradine, Geo.....		600	00
Herwig, J. C. G.....		2,245	64
Hobday, B.....		442	50
Johnson, D. B.....		103	33
Keeling, E. S.....		1,480	00
Kaminisky, C.....		1,000	00
Lapp, T. C.....		3,716	10
Loughman, D.....		2,012	70
Maharry, L.....		130	65
Maxwell, R. B.....		3,129	10
Mulloy, N.....		1,115	00
McNeil, G. C.....		5,115	81
McNulty, L.....		121	50
Rosenberg, S.....		1,115	00
Upton, E. S.....		631	99
Wildridge, J. J.....		121	78
Miscellaneous.....		232	04
	\$	39,278	71
G.W.V.A.....	\$	36,653	29
The Veteran Ltd.....		2,625	42
		39,278	71

Schedule No. 2.

TRAVELLING EXPENSES—JULY 1, 1921, TO AUGUST 31, 1922

Botterhill, W. J.....	\$	444	40
Bowler, J. R.....		382	81
Carmichael, C.....		191	75
Cameron, J.....		265	80
Collins, H. L.....		202	65
Drinan, W.....		192	45
Duffy, L. F.....		310	70
Edgett, C. E.....		455	80
Grant, W. F.....		203	40
Gentles, L.....		308	00
Hamilton, H. F.....		594	00
Irwin, W. A.....		209	90
Jeakins, C. A.....		621	71
Keeling, E. S.....		258	35
Loughnan, D.....		1,364	20
Longworth, T.....		228	50
Lapp, T. C.....		930	00
Maxwell, R. B.....		2,984	30
Martinson, J. H.....		212	60
McNeil, C. G.....		1,015	50
MacKenzie, I. A.....		444	00
Priestman, H.....		248	90
Sharpe, W. D.....		191	55
Twiley, W. E.....		127	90
Upton, E. S.....		172	10
Waistell, G. W.....		212	65
Whitman, G. W. (M.D.).....		148	33
Railway Tickets:—			
C.N.R.....	\$	823	55
C.P.R.....		407	50
		1,231	05
Miscellaneous.....		1,732	36
Total.....	\$	15,885	66

EXHIBIT NO. 9

G.W.V.A.—POPPY DAY, 1923

MANITOBA PROVINCIAL COMMAND, 508 McINTYRE BLOCK, WINNIPEG

Order

Supply to.....

Quantity	Description	Price	Ck.	Amount	Total
50,000	A. Small Poppies at.....	5		\$2,500 00	
6,150	B. Large Poppies at.....	15		922 50	
5	C. Evergreen wreath with small Poppies.....	2 25		11 25	
35	D. Poppy wreath with leaves at.....	2 50		87 50	
	E. Cycas leaf and Poppy decorations at.....				
				\$3,521 25	

EXHIBIT NO. 10

Official Badge G.W.V.A

G.W.V.A. POPPY DAY, 1924

MANITOBA PROVINCIAL COMMAND, 717 McINTYRE BLOCK, WINNIPEG

Supplied to Joint Veterans Poppy Day Committee, Winnipeg, Man.

Quantity	Description	Price	Amount	Total
60,000	A. Small Poppies at.....	\$ 0 04	\$2,400 00	
6,000	B. Large Poppies at.....	0 15	900 00	
	C. Evergreen wreath with small Poppies.....	2 00		
	D. Cycas Spray at.....	2 50		
50	E. Large Poppy Wreath.....	2 75	137 50	
			\$3,437 50	

Large wreaths specially made for ceremonials, etc..... \$8.00 each.

EXHIBIT No. 11

THE GREAT WAR VETERANS' ASSOCIATION OF CANADA, INCORPORATED

Office of the Secretary-Treasurer

DOMINION COMMAND, CITIZEN BUILDING, OTTAWA, CANADA

May 26, 1925.

Circular for Branches of the Association

DEAR SIR AND COMRADE,—As the representatives of your Branch have been summoned to attend the Dominion Convention under circumstances that are unusual, I desire to offer, with the consent of your Provincial Command, a brief statement as regards the affairs of our Association.

It is an open secret that the Dominion Command has, for the last two years, encountered the most trying difficulties in the maintenance of legislative and adjustment activities on behalf of ex-service men. The rancor of officialdom in Ottawa, because of our success in the Royal Commission enquiry, has been given vent in every conceivable way. Unfriendly political interests have subtly discouraged any Parliamentary support of the Association aims. Other organizations (except the T.V.A.) have withheld practical co-operation and latterly on occasion have conspired to accomplish the embarrassment of the G.W.V.A.

Added to all these difficulties, the Association has experienced the serious handicap of lack of funds. Notwithstanding all these difficulties, the Association has held its ground and has achieved outstanding service in the interests of ex-service men and dependents. The proof of the value of this service is recorded in the Statutes of our country and in the records of the Association adjustment work.

The climax of this struggle occurs in the enquiry into Association affairs now ordered by a Special Committee of the Senate. Behind this enquiry, unfriendly politicians, departmental officials and veteran organizations have combined in an effort to wreck the G.W.V.A., on the pretext that it was necessary to secure an accounting of expenditures under advances made from the Canteen Fund in 1921. An investigation has commenced with regard to all our affairs. The Association auditors, competent Chartered Accountants, who have continuously audited the books of the Association since 1919, and who were prepared to offer any audited statement required, have been arbitrarily brushed aside and a staff of audit clerks from the D.S.C.R. are now installed in the offices of this Association busily probing every detail of our activities. Their orders are to "get" the G.W.V.A.; all forsooth because the G.W.V.A. has made an energetic and conscientious endeavour to discharge a trust assumed on behalf of war sufferers.

While this procedure outrages all known standards of decency, and, in the complete absence of evidence as to irregularity, constitutes a gross insult to the G.W.V.A., nevertheless, it has been resolved to satisfy all requirements of the probe however exacting. There is no cause to fear full disclosure of the facts, provided there is no unscrupulous distortion of the facts. The Association has secured competent Counsel, and daily reports are forwarded to all Provincial Commands and members of the Dominion Executive. A consolidated audited statement for the period, April 1917 to April 1925, has also been placed in circulation.

This determined effort to discredit and paralyse the activities of the organization has been launched on the eve of the arrival of Field Marshal Earl Haig in Canada, as the guest of the G.W.V.A., and, as the Conference of the British Empire Service League assembles in Canada, Earl Haig in his work on behalf of the League and the British Legion has shown that he has the interests of organized ex-service men closely at heart, and he has not concealed his earnest desire to help Canadian veterans toward a solution of pressing problems and to achieve a greater measure of unity. The Plot against the G.W.V.A. was timed to interfere with all these plans for greater progress.

Through continued experience of your loyal co-operation in the advancement of Association ideals, I am confident that I need only outline the situation briefly to impress you as to the necessity of a still more vigorous effort in this crisis. In co-operation with other branches, make certain that your province is adequately represented at the approaching Dominion Convention that the real strength of the Association may be made known and that your views may have full expression. I would most earnestly appeal for the early payment of any arrears of Provincial and Dominion per Capita Tax for, in this way, you can most effectively relieve the terrific financial strain to which the Association is now subjected.

You are also requested to complete the attached form and return to this office at the earliest possible date. It is most important that, at this juncture, we should tabulate statistics as regards our resources.

I am confident that, if the situation is fully understood by the members, such an emphatic answer will be given those who challenge the G.W.V.A. as to leave no doubt in respect of its vitality and fighting strength.

With fraternal regards,

I am, yours faithfully,

C. G. MACNEIL,

Dominion Secretary-Treasurer, G.W.V.A. of Canada.

EXHIBIT NO. 12

OTTAWA, March 7, 1925.

Memorandum to the Honourable the Minister

In accordance with your instructions I beg to give you the following particulars regarding the formation and conduct of the Disablement Fund.

2. In July, 1915, contributions were being sent to the Government for the purpose of creating a fund for the purchase of machine guns. This fund was not required as the Government was purchasing all the machine guns available. At this time Sir James Lougheed, President of the newly formed Military Hospitals Commission was acting Minister of Militia. He suggested to me that it might be possible to deflect some of the donations then coming in and with this money to create a fund for the benefit of the men who were then beginning to return from overseas. He instructed me to prepare an interview for the Press, suggesting the creation of a fund which it was decided to name the "Disablement Fund."

3. About this time Mr. James Carruthers of Montreal wrote intimating his intention of donating \$100,000 for machine gun purchase. Sir James Lougheed wrote suggesting that this money might be more profitably employed as a nucleus for the Disablement Fund. On the 31st July, 1915, Mr. Carruthers wrote to Sir James Lougheed as follows:—

Your letter of July 21st., was duly received, and I appreciate very much indeed your kind remarks about my donation. I am glad to see that this feeling is spreading all over the Dominion, and that the Government is receiving donations for machine guns from the Atlantic to the Pacific. As I explained in my letters to General Hughes, the feeling I have is, that I want my donation used for any purpose that the Militia Department think will help our Canadian Soldiers best, and my idea at first was the purchase of machine guns, but if the department think there is anything else that the money can be utilized to better advantage, I am quite willing, so please understand that you have a free hand to use it whatever way you think best. As I wrote the department some time ago, as soon as the money is needed, let me know and I will arrange same with the Hon. Mr. White, Minister of Finance.

On the 26th August, 1915, he wrote further:—

I entirely agree with you that such a fund would be very desirable and so far as my contribution is concerned, am quite willing if you and the other members of the Cabinet think it best, to apply same to this fund, as I feel owing to the generous response from all over Canada for the purchase of machine guns that there will be enough subscribed for

this purpose to provide all the machine guns necessary for the Canadian Forces, and you have my authority to donate my subscription to this Disablement Fund if you think best.

4. In September, 1915, I was instructed by Sir James Lougheed to prepare a report for the Government on the general question of employment of the men then returning from overseas. This report was dated the 9th October, 1915, and was issued as Sessional Paper No. 35A, 1916. In this report, under the heading "Disablement Fund", I made the following statement:—

In view of the fact that the pensions granted by the Government, though they have been arranged on as generous scale as possible, will be insufficient in many cases, a fund has been established, largely through your activities in this direction, to be known as the Military Hospitals Commission Disablement Fund. This fund will be administered by the Commission and its principal objects will be somewhat along the following lines:—

I. To supplement the pension or compensation granted by the Government in cases where this is insufficient for the support of dependents.

II. To educate and train those who are unable to follow their previous occupations in other lines of industry and to supplement their earnings during the period of training.

III. To assist those totally incapacitated, either by the erection and maintenance of permanent soldiers' homes, or as hereafter determined.

IV. Generally to take such steps as may be deemed necessary or desirable to carry out the duty of the Canadian people to the men who have suffered in the defence of our national liberties.

I recommend that the local administration of the Disablement Fund be placed in the hands of the Provincial Commissions.

5. Statements to the foregoing effect were made by Sir James Lougheed and myself to the press from time to time and the result was that funds came in from all quarters. In addition to the contribution by Mr. Carruthers, amounts slightly in excess of \$28,000 were received.

6. Later Mr. Carruthers requested that the sum of \$35,000 out of his donation be transferred to the Canadian National Institute for the Blind. His instructions were carried out, thus reducing his contribution to the Disablement Fund to \$65,000.

7. One of the principal objects of the fund as outlined in the excerpt from the report referred to above was to supplement pension. The second object was to conduct vocational training. Both of these were rendered unnecessary due to the large increase which was made by Parliament in the pension scale and due also to the fact that in 1916, provision was made by Order in Council that the cost of vocational training and the issue of allowances to students should be borne not out of a voluntary fund, but from the Federal Exchequer.

8. Before the Government had assumed the further responsibility indicated, tentative arrangements have been made to launch a Dominion-wide campaign for contributions to the Disablement Fund and a goal of \$5,000,000 had been set. That there would have been an immediate and large response to such an appeal was recognized. At that time, however, it was necessary for the Canadian Patriotic Fund to make a further appeal and Sir Herbert Ames asked me to defer any action regarding the Disablement Fund. I did so with the consent of Sir James Lougheed. The principal need for the Disablement Fund, as set forth in my report, having vanished, no attempt was made to appeal for further public subscriptions.

9. The Fund was placed in my name in the Bank of Montreal by instructions from Sir James Lougheed and it has always since its creation been administered by me.

10. In May, 1923, I heard a rumour that Sir Arthur Currie had been approached by the Secretary of the Great War Veterans' Association, requesting him to see Mr. Carruthers and to arrange, if possible, that the whole of the Disablement Fund should be transferred to that Association. I spoke to Mr. Carruthers on the subject and found that not only had representations been made to him by Sir Arthur Currie, but that in view of the statements made that the Disablement Fund was not being used, he thought that this would be a desirable course to follow. I then wrote to him on the subject at length, as per attached copy, in which I pointed out to him the uses to which the fund was being put and strongly demurred to any such use of the fund as was proposed. I received from him the following reply, dated the 12th June, 1923:—

On my return from Toronto the other day I found your letter of the 8th inst. giving me particulars of the Disablement Fund and how it had been handled at Ottawa, and it looks as if everything had been carried out satisfactorily and good work has been done in connection with same.

As far as I am concerned, don't see that the administration of this fund could be improved upon and am quite willing to leave the matter just as it is.

Thanking you for the information you sent me.

11. The advances during the year 1924, totalled \$117,648.56, including \$10,000 to the Dominion Veterans' Alliance.

12. The loans outstanding at the 31st December, 1924, were \$41,877.51. The donations made from the commencement to that date, \$8,961.62. Bad debts written off amounted to \$7,484.53. Administration expenses charged against the fund from its inception amount to \$339.46.

13. In May, 1923, you requested me to make a donation of \$5,000 to the Great War Veterans' Association to meet their request for assistance in paying the cost of gathering evidence and presenting certain cases before the Parliamentary Committee, the Royal Commission, the Board of Pension Commissioners, etc. On my discussing the matter with you, however, you agreed with me and with the opinion expressed by Sir Arthur Currie, after his interview with Mr. Carruthers, referred to in his letter of May 7th to the Prime Minister, that while the continuance of the service given by the Headquarters of the Great War Veterans' Association, or the Veterans' Alliance, Ottawa, pending the establishment of an adjustment bureau, might be a proper charge against the Disablement Fund, it would also be a proper charge against Public Funds and that this should, therefore, be handled in the form of a loan, and that you would make provision to reimburse the fund from a Parliamentary Appropriation. I advanced this money on the 15th May, 1923, Vote No. 543, was increased by \$5,000 in order to provide for reimbursement. I received a cheque for \$5,000 on the 25th August, 1923. At a long interview with Mr. Carruthers early last year I informed him of the continued demands on the fund in general, and told him of the advance made to the Great War Veterans' Association. He concurred in my action.

14. In June, 1924, it was intended to make provision in the Canteen Fund Act for setting aside the sum of \$100,000 for the maintenance of an adjustment Bureau. Mr. MacNeil approached you and asked that an advance payment of \$5,000 might be made. You discussed the matter with me and it was agreed that this sum should be advanced in order to provide for the maintenance of the service then being given by the Veterans' Alliance pending the creation of an adjustment Bureau to be provided for by the bill covering the use of the Canteen Funds, embodying the recommendation of the Royal Commission, repayment to be requested of the Board of Trustees to be appointed when the Bill became law. As the Bill did not pass the Senate no money was available,

but in September a further request was made to you by Mr. MacNeil, which you discussed with me. I agreed with the propriety of making a further loan for the purpose of maintaining this service, in view of the provisions made in the Canteen Funds Bill. As a result Order in Council P.C. 1596 was passed on the 16th September, 1924, and \$10,000 was further advanced by me.

15. With regard to the payment made in June, 1924, as I had not immediately available as large a sum as \$5,000, it was necessary to make the payments in three instalments:—

June 7, 1924..	\$1,000
June 16, 1924..	1,000
June 18, 1924..	3,000

These cheques were made payable, as in the case of 1923, advances, to the Great War Veterans' Association. When, however, it transpired that repayment would be delayed and that a further amount was required, I insisted that the payment should be made to the Dominion Veterans' Alliance. On the 2nd of October, 1924, I issued a cheque for \$5,000 to the Dominion Veterans' Alliance, which I forwarded with the following covering letter:—

OTTAWA, October 2, 1924.

DEAR MR. MACNEIL,—In pursuance of the arrangement made that I should make a further advance to you of \$5,000 from the Disablement Fund, I now enclose a cheque for this amount.

2. It is understood that this advance as well as that made of a similar amount last June and the proposed further advance to be made on the 1st January, 1925, shall be applied only for the purpose of maintaining an adjustment bureau in the city of Ottawa and that no portion of the said amounts shall be expended for any other purpose.

3. In view of the fact that it is proposed to reimburse the Disablement Fund out of any moneys which may be granted to the Alliance from the Canteen Funds or otherwise, it will be necessary for you to keep a detailed record of the manner in which this money is expended.

Yours faithfully,

E. H. SCAMMELL,
Assistant Deputy Minister.

C. G. MACNEIL, Esq.,
Chairman, Dominion Veterans' Alliance,
Ottawa.

16. Mr. MacNeil came to see me and stated that the cheque should have been made payable to the G.W.V.A., as otherwise he could not negotiate it. I refused to make any change in the cheque and suggested that he might communicate with the Treasurer of the Alliance if he thought it necessary in order to obtain his endorsement, or if he was authorized to endorse it himself, this would be satisfactory to me. I note that the cheque was endorsed:—

For deposit only in the Canadian Bank of Commerce, Ottawa, to the credit of the Great War Veterans Association of Canada, Inc.

DOMINION VETERANS' ALLIANCE,

Per C. G. MACNEIL,
Secretary.

The third payment of \$5,000 was made by cheque on the 5th January, 1925, which was also paid to the Dominion Veterans' Alliance and was similarly endorsed. Accompanying this last cheque was the following covering letter:—

OTTAWA, January 6, 1925.

DEAR MR. MACNEIL.—In accordance with the arrangement made between yourself, the Honourable Dr. Beland, and myself, I enclose a further cheque payable to the Dominion Veterans' Alliance amounting to \$5,000. This will complete the \$15,000 promised and it is requested that as soon as the full amount has been expended you will favour me with an itemized statement in accordance with the request previously submitted to you.

Yours faithfully,

E. H. SCAMMELL,

Assistant Deputy Minister.

C. G. MACNEIL, Esq.,
Secretary, Dominion Veterans' Alliance,
Citizen Building, Ottawa, Ont.

17. The wording of the Order in Council appears to be slightly ambiguous, the amount advanced is not \$25,000, but \$15,000.

18. A request was made in the House of Commons that the Trust Deed should be laid before Parliament. There is no Trust Deed, nor has there ever been one. No restrictions have ever been placed on the uses to which I should apply this money. I have, however, utilized it in accordance with the letter written on the 8th June, 1923, to Mr. Carruthers. The majority of the loans issued are under \$50. Occasionally, however, loans running into several hundred dollars have been made where the circumstances have been exceptional. It has been my policy throughout to handle this money in exactly the same way as I should have done had it been my own. Like yourself, I consider that the Dominion Veterans' Alliance was serving a useful purpose, and I do not, therefore, consider that I was exceeding my rights as Trustee in issuing a loan which the Board of Trustees, appointed under the Canteen Funds Bill, would be requested to repay from the monies it was proposed to place in their hands.

19. Without wishing to escape responsibility in the matter I might perhaps add that as the money was contributed to the Government in 1915 and as my Trusteeship of the Fund is due to the fact that I was at that time the Secretary of the Military Hospitals Commission, and as such Trusteeship has continued by reason of my being an officer of the Government, I should feel in duty bound to carry out the wishes of the Government, unless these, in my judgment, violated the purposes for which the Fund has been created.

Respectfully submitted,

E. H. SCAMMELL,

Assistant Deputy Minister.

EXHIBIT NO. 13

DIFFERENCE BETWEEN AMOUNTS SHOWN IN STATEMENTS PREPARED BY G. L. BLATCH AND D. GALLAUGHER

G.W.V.A.—REVENUE

	G.L.B.	D.G.	
Charter Certificates and Constitutions.....	\$ 3,386 64	\$ 3,336 64	\$ 50 00
Collections, Branches.....	432 33	144 90	287 43
Rent—Veteran Limited.....	1,060 08	116 68	943 40
Furniture and Fixtures.....	1,036 65	.....	1,036 65
Sundry items.....	294 89	.....	294 89

SUMMARY—	Add to D.G.
	\$ 50 00
	287 43
	943 40
	1,036 65
	294 89
	<u>\$ 2,612 37</u>

EXPENDITURE

Salaries.....	\$ 142,528 70	\$ 142,588 70	\$ 60 00
Badges.....	47,260 97	47,255 97	5 00
Travelling expenses.....	47,369 90	45,467 62	132 28
President's travelling expenses.....	.....	1,770 00	.....
Special information <i>re</i> Dace.....	103 51	.....	103 51
Postage, telegrams and telephones.....	21,293 88	20,648 34	645 54
Stationery, &c.....	20,928 29	20,400 12	281 47
Booklets, By-Laws, &c.....	.....	246 70	.....
Rent.....	14,082 26	14,030 18	52 08
General expense.....	8,601 93	6,287 61	.....
“.....	841 47	2,167 02	3 39
“.....	.....	992 16	.....
Legal expenses and Regular fees.....	689 00	787 70	98 70
Miscellaneous—			
The Veteran Limited.....	796 34	823 95	.....
Fourandex.....	103 00	.....	75 39
Depreciation F. & F. B/D.....	4,089 92	3,252 30	185 68
“.....	.....	651 94	.....
Furniture and fixtures.....	1,036 65	.....	1,036 65
Adjustment Branch Accounts.....	256 86	.....	256 86

SUMMARY—

Add to D.G.	Deduct from D.G.
\$ 5 00	\$ 60 00
132 28	3 39
103 51	98 70
645 54	.....
281 47	.....
52 08	.....
75 39	.....
185 68	.....
1,036 65	.....
256 86	.....
<u>2,774 46</u>	.....
162 09	.....
<u>2,612 37</u>	.....

Total receipts G.L.B.....	\$ 538,607 05
“ D.G.....	535,994 68
	<u>\$ 2,612 37</u>
Total expenditure G.L.B.....	488,493 14
“ D.G.....	485,880 77
Difference.....	<u>2,612 37</u>

EXHIBIT No. 14

"THE VETERAN"

P.O. Box 455, CITIZEN BLDG.,

OTTAWA, June 16, 1925.

SIR,—During the course of the evidence adduced before your Committee frequent reference has been made to "The Veteran," the official publication of the Great War Veterans' Association of Canada. While the affairs of this publication do not appear to come directly within the scope of the investigation, in view of the frequent gratuitous suggestions, I think it would be only fair to place on record a brief statement from the Publisher in reply to points raised.

"The Veteran" is a separate institution from the G.W.V.A., being incorporated under the name of "The Veteran Limited." The capital stock, which has been fully paid for, is held by the Dominion Executive members of the G.W.V.A. in trust for the Association.

"The Veteran" has been published regularly since November, 1917, as a monthly magazine from that date to November, 1921; as a weekly from November, 1921, to November, 1923; and as a semi-monthly magazine from November, 1923, to the present date.

The present assets of "The Veteran Limited" include office furniture (desks, typewriters, filing cabinets, safe, etc.) with a present sale value of about \$4,000; mailing equipment with a capacity of 100,000 names, including addressing machines, stamping machines, slides, drawers and cabinets, with a present sale value of approximately \$4,500; unexpired advertising contracts \$9,000; and a list of "Live" subscribers of 42,890. Besides the subscription list, which is the most valuable asset of any publication, the other assets total \$17,500.

The present circulation of "The Veteran," as has been noted, is 42,890 per issue. This is based on the audited statement for the six months' period ending December 31, 1924. Of this number, 27,115 are members of the Great War Veterans' Association who are entitled to pay subscriptions voluntarily through Local Branch Secretaries. The remainder of the circulation is made of veterans who have subscribed independently of the Association channel, and of subscriptions from the general public.

Since November, 1923, with the exception of two months, the current revenue of "The Veteran" have been in excess of the current liabilities.

"The Veteran" is of particular value to the Great War Veterans' Association because it provides a channel of constant information to members and veterans generally as to matters affecting their welfare.

Any monies received from public funds by "The Veteran Limited" have been in payment of advertising or of copies for general circulation, made under contract at regular rates, and approved by the Ministers of the Department concerned. The terms of such contract have been fulfilled in every instance. Corroborative evidence can be supplied, both by the Government Departments concerned and by "The Veteran Limited," on any point discussed.

I desire to thank you in anticipation of this letter being brought to the attention of the members of your Committee.

I am, sir, yours sincerely,

(Sgd.)

T. C. LAPP,
Managing Editor, "The Veteran"

The Hon. N. A. BELCOURT,
Chairman of the Special Committee on
Canteen and Disablement Funds,
The Senate, Ottawa.

EXHIBIT No. 15

P.C. 3887

CERTIFIED COPY of a Report of the Committee of the Privy Council, approved by His Excellency the Governor General on the 12th October, 1921.

Privy Council, Canada.

The Committee of the Privy Council have had before them the recommendations of the Special Committee appointed by the House of Commons to consider questions relating to the Pensions, Insurance and Re-establishment of Returned Soldiers, the report of which was submitted to and approved by the House of Commons on the 26th May, 1921; which report gave a large amount of consideration to the disposal of Canteen Funds amounting to upwards of \$1,800,000 in the hands of the Receiver-General for Canada, or which may hereafter be paid over by the British authorities. Various suggestions were made to the Committee respecting these facts, and the following recommendation was passed:—

That this matter be referred to the Government together with the recommendations of The Great War Veterans' Association, The Army and Navy Veterans' Association, and The Grand Army of United Veterans, and that the Government obtain through these organizations an opinion as to the best method of the disposal of these funds.

The Minister of Militia and Defence has requested the several organizations mentioned to submit the recommendation thus solicited. In response, advice has been given that arrangements are under way to ascertain the consensus of opinion among Canadian ex-service men generally. There is general agreement that the main fund be held intact and its final disposition determined by Act of Parliament, following the reference stipulated.

Urgent requests have been received, however, for further small allocations from the said Canteen Funds for immediate requirements, relating to the welfare of ex-service men, and arising largely from the danger of wide-spread unemployment. In view of the fact that the needs so described demand immediate attention, it would appear that a portion of the interest accruing on the Canteen Funds might very properly be allocated for the purpose of dealing with such problems among ex-service men, provided that the principal sum be kept intact, and further provided that the expenditure of such moneys be properly safeguarded.

In view of such urgent requests and of the unemployment of ex-service men the whole question was referred to a Sub-Committee of Council consisting of the Ministers of the Departments of the Interior, Labour, Finance and Railways and Canada, and such Committee recommend:—

1. That there be paid from the interest accruing on the said Canteen Funds to the Trustees, hereinafter named, the sum of one hundred and twenty thousand dollars.

2. That the said Trustees be authorized to award from the sum so allocated reasonable amounts among organizations of ex-service men capable of demonstrating ability to efficiently conduct the activities, hereinafter set forth.

3. That all awards from the said Trust Fund be devoted expressly for the purposes of General Information and Service Work, Relief Work in Special Cases, Organization enabling effective co-operation with National, Provincial and Municipal interests to cope with unemployment conditions among ex-service men and dependents and such organization development and maintenance, as may be required for the welfare of ex-service men and dependents.

4. That all such expenditures be submitted for the approval of the Board of Trustees, hereinafter designated.

5. That J. W. Margeson, Thomas O. Cox, and W. C. Arnold, of the city of Ottawa, be appointed Trustees of the said moneys to be paid from the said Canteen Funds.

6. The said Trustees shall have full power to supervise all expenditure, recommended herein, and to require the production of vouchers and other receipts as they may consider necessary.

7. That no further payments be made under any prior orders to the Great War Veterans Association.

The Committee concur in the foregoing recommendations and submit the same for approval.

E. J. LEMAIRE

Clerk of the Privy Council.

EXHIBIT No. 16

P.C. 2378

CERTIFIED COPY of a Report of the Committee of the Privy Council, approved by His Excellency the Deputy Governor General on the 5th July, 1921.

Privy Council, Canada:

The Committee of the Privy Council have had before them a Report, dated June 30, 1921, from the President of the Privy Council, stating that the special Committee, appointed by the House of Commons to consider questions relating to the Pensions, Insurance and Re-establishment of returned soldiers, the report of which was submitted to and approved by the House of Commons on the 26th May, 1921, gave a large amount of consideration to the disposal of the canteen funds amounting to upwards of two million dollars now in the hands of the Receiver-General for Canada or which may hereafter be paid over by the British authorities. Various suggestions were made to the Committee respecting these funds, and the following recommendation was passed:—

That this matter be referred to the Government, together with the recommendations of the G.W.V.A., Army and Navy Veterans' Association, and G.A.U.V., and that the Government obtain through these organizations an opinion as to the best method of the disposal of these funds.

A letter has been received from the Secretary-Treasurer of the G.W.V.A., a copy of which is submitted herewith, proposing co-operation with the Government along certain lines of activity conforming to provisions made by the Government, the receipt and sifting of complaints, and the completing of an organization through the Provincial Commands of the Association for assisting the Federal, Provincial and Municipal authorities in dealing with the unemployment situation.

While the G.W.V.A. is only one of several ex-soldier organizations operating in Canada, it is the largest and most representative. It maintains a Head Office with branch offices in all Provinces, and with Association Headquarters at upwards of eight hundred centres. The chief executive officers of the Association are in constant touch with the executive officers of the Department of Soldiers' Civil Re-establishment and other Departments, and there has been and is a marked degree of co-operation.

It would appear that a portion of the canteen funds, now in the hands of the Receiver-General, might very properly be allocated to the G.W.V.A., for the purpose of extending the scope and usefulness of that Association, provided that the expenditure of any monies, which may be allocated to the Association, is properly safeguarded.

The Minister, therefore, recommends as follows:—

1. That the Great War Veterans' Association be authorized to expend such monies as may be paid to the Association out of the canteen funds, on such activities as may be approved by the Board of Trustees, hereinafter designated.

2. That payment be made to the Great War Veterans' Association of Twenty Thousand Dollars (\$20,000) at once for the month of July, and a further ten thousand dollars (\$10,000) on the first of every succeeding month, during the period this arrangement shall remain in force.

3. That John Barnett, Norman F. Parkinson, Robert B. Maxwell, C. Grant MacNeil, of the City of Ottawa, be appointed trustees of the monies payable to The Great War Veterans' Association, with power to supervise the expenditure herein recommended, and to require the production of vouchers and other evidence, as they may consider necessary.

The Committee concur in the foregoing recommendation and submit the same for approval.

E. J. LEMAIRE

Clerk of the Privy Council.

EXHIBIT NO. 17

P.C. 1565

The following is a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by his Excellency the Governor General on the 14th August, 1923.

The Committee of the Privy Council have had before them a report, dated August 10, 1923, from the Minister of Soldiers' Civil Re-establishment, stating that application was made some time ago by the Great War Veterans' Association of Canada for assistance towards the expenses incurred by that Association in the presentation of cases requiring investigation to the Board of Pension Commissioners and the Department of Soldiers' Civil Re-establishment. The Association has been doing work which in future will be undertaken by the Official Soldiers' Advisors who are to be appointed under the amendment passed at the last session of Parliament to the Department of Soldiers' Civil Re-establishment Act.

The Minister observes that a request was received from the Association for a grant of at least fifteen thousand dollars (\$15,000) to meet immediate and pressing expenditures in connection with this work. It was not possible to accede to this request at that time owing to there being no appropriation for the purpose. Arrangements were however made to procure a loan of five thousand dollars (\$5,000) out of a private fund, namely the Disablement Fund, of which the Assistant Deputy Minister of the Department of Soldiers' Civil Re-establishment is trustee.

In order that this Fund might be reimbursed the amount advanced, Vote No. 543 was increased by five thousand dollars (\$5,000) and the following provision was made:—

Amount required to provide
 partial refund of expenses incurred in presentation of individual cases to
 the Department of Soldiers' Civil Re-establishment and Board of Pension
 Commission.

The Minister, therefore, recommends that authority be granted to the
 Department of Soldiers' Civil Re-establishment to make a grant of five thou-
 sand dollars (\$5,000) to the Great War Veterans' Association for the purposes
 indicated above and to pay this sum to the Disablement Fund in order to
 reimburse that Fund for the said sum which has been advanced to the said
 Association.

The Committee concur in the foregoing recommendation and submit the
 same for approval.

(Sgd.) E. J. LEMAIRE,
Clerk of the Privy Council.

EXHIBIT NO. 18

AMPUTATIONS' ASSOCIATION OF THE GREAT WAR OF CANADA, INC.
 DOMINION HEADQUARTERS,

62 ST. ALBANS STREET, TORONTO, CANADA.

*Extract from the minutes of the Dominion Executive of the above Association,
 at a meeting held September 10, 1923*

Moved Comrade Myers, Seconded Comrade Millar that, "Whereas the
 Poppy of Flanders Field is immortalized to the glorious dead because of Colonel
 McRae's inspiring poem, and whereas the Great War Veterans' Association
 have resolved in Annual Convention to petition the Government for an absolute
 monopoly and control of the Poppy on behalf of their own Organization, and
 Whereas we feel it so sacred that it should not be commercialized or exploited
 for any purpose whatsoever.

"Therefore be it Resolved that we, the Dominion Executive of the
 Amputations' Association of the Great War, representing the war amputation
 cases throughout the Dominion, do hereby protest to the Federal Government
 against the issuing of a patent or copyright of the Poppy to any individual
 organization or to the Dominion Veterans' Alliance, and that copies of this
 resolution be sent to the Womens Press Club, the I.O.D.E., the Red Cross, the
 Womens Patriotic Association, and to representative M.P.'s from each Province."

CARRIED.

Certified to be a true copy of a Resolution passed by the Dominion Executive
 of the Amputations Association of the Great War this 13th day of June, 1925.

(Sgd.) A. SUTCLIFFE,
Dominion Secretary-Treasurer.

EXHIBIT No. 19

STATUTORY DECLARATION

Dominion of Canada
Province of Manitoba
County of Selkirk

In the matter of the 1922, 1923, 1924 Great War Veterans' Association
Poppy Day Campaigns, to wit:

I, Albert Henry Yetman, of the City of Winnipeg, in the Province of Manitoba, Secretary, do solemnly declare:—

1. That I am the duly appointed Secretary-treasurer of the Manitoba Provincial Command of the Great War Veterans' Association and that I have been continuously in the employ of the Command since December, 1921, and that I have a personal knowledge of the facts and matters herein deposed of.

2. That the purchase, sale and distribution of poppies in the Province of Manitoba was originally undertaken by the Manitoba Provincial Command, G.W.V.A., with a view to providing revenue for assisting in the maintenance of a Provincial Service Bureau for all ex-service men and dependents and for the purpose also of enabling branches of the G.W.V.A. to carry on similar work and to provide such relief as might be found necessary.

3. That the policy outlined above has been carried out by the Provincial Command since the inception of the Poppy Day Campaigns to date without change except that, at their own request, other organizations have been supplied with poppies on the same basis as those sold to branches of the G.W.V.A.

4. That no request has been made to the Provincial Command, G.W.V.A., at any time from any source whatsoever for an alteration of the policy defined above, nor has any complaint of any description in respect to the prices of poppies nor in respect of any other relevant matter been received by the Provincial Command.

5. That in the year 1922 as a result of adjustments secured on behalf of ex-service men and dependents through the service bureau of the Manitoba Provincial Command, G.W.V.A., the sum of approximately \$20,000 in cash was recovered by the said Command on behalf of the persons for whom it acted; and that attached hereto and marked Exhibit "A" is a folder containing acknowledgment, or other verifications in writing, of the adjustments referred to.

6. That attached hereto and marked Exhibit "B" is a folder containing memoranda concerning adjustments of the same nature secured by the said Command in the year 1923 showing cash returns to ex-service men and dependents of approximately \$32,000.

7. That attached hereto and marked Exhibit "C" is a folder containing memoranda concerning adjustments of the same nature secured by the said Command in the year 1924 showing cash returns to ex-service men and dependents of approximately \$48,000.

8. That in addition to the adjustments referred to in the Exhibits marked A, B, C (not printed) a large number of other claims have been satisfactorily adjusted and not included in the said Exhibits for the reason that no immediate financial adjustment was involved.

9. That the adjustments referred to in said Exhibits have been accomplished by the Command largely through the assistance and co-operation of the Dominion Command, G.W.V.A., Ottawa.

10. That attached hereto and marked Exhibit "D" is an audited statement completed by the firm of J. M. Dunwoody and Company, Chartered

Accountants, Winnipeg, covering the operations of the Poppy Day campaigns by the Manitoba Provincial Command, G.W.V.A., for the years 1922-1923-1924.

11. That attached hereto and marked Exhibit "E" is an audited statement completed by the firm of J. M. Dunwoody and Company, Chartered Accountants, Winnipeg, showing a statement of sales to the Joint Veterans' Poppy Day Committee of Winnipeg for the years 1922-1923-1924 and showing also the net profit accruing to the Manitoba Provincial Command in respect to such sales.

12. That attached hereto and marked Exhibit "F" (Exhibit No. 7 of the printed proceedings) is a copy of a Statutory Declaration bearing date of 29th day of May, 1925, purporting to be subscribed to by W. R. Patton, Naval Veterans; H. N. C. Davis, Amputations Association; A. E. Game, Imperial Veterans; W. J. Le Cappellain, Army and Navy Veterans; and W. J. Meacham, Army and Navy Veterans.

13. That the G.W.V.A. delegates to the Poppy Day Committee are as follows: Mr. A. E. Moore, ex-M.L.A.; Mrs. R. A. Rogers, M.L.A.

14. That I am informed and verily believe that the said declaration was completed secretly and that the existence thereof was concealed from the G.W.V.A., its delegates, or officers.

15. That in the sixth paragraph of the said declaration, Exhibit "F", there appears a statement to the effect that (inter alia) an assurance had been given by the delegates to the Poppy Day Committee from the G.W.V.A., that the G.W.V.A. made no profit whatever from the sale of poppies purchased through the Department of Soldiers' Civil Re-establishment.

16. That the G.W.V.A. delegates to said Committee are representatives of the Winnipeg Branch, G.W.V.A., and Ladies' Auxiliary, Winnipeg Branch, G.W.V.A. I am informed and do verily believe that said branch has not at any time made profit from the sale of said poppies.

17. That the Manitoba Provincial Command, by whom the poppies have been annually sold to the said Committee, has never given, nor has it ever been asked to give the assurance referred to in paragraph 6, or any assurance at all, nor has it at any time been represented on said Committee, nor has it ever applied for representation on said committee, or been asked for representation on said Committee.

18. That as previously set forth such profits as accrue to the Provincial Command, G.W.V.A., from the sale and distribution of poppies are now and have always been a portion of the budgeted annual revenue to the Command for the maintenance of its general service work and that such profits have been clearly shown from year to year in the Annual Audited statements of the Command, copies of which have been available at each Annual Provincial Convention of the Command, and for the years 1923 and 1924 have been laid before the Honourable John Bracken, Premier of Manitoba.

19. That as shown by audited statement, Exhibit "E" the profit accruing to the Command in the City of Winnipeg for the year 1924 was \$776.78.

20. That for the year 1924 one Albert Pearce held the office of Secretary to the Trustee Board of the Winnipeg Joint Veterans' Poppy Day Committee, and that during the same year the said Albert Pearce also held the position of Secretary to the Civic Charities endorsement Bureau for the City of Winnipeg.

21. That I am informed by the said Albert Pearce and I verily believe that as a direct result of pension and other adjustments secured by the Manitoba Command, G.W.V.A., during the year 1924 the said Albert Pearce in his capacity as civic employee caused to be recovered by the City of Winnipeg from the Department of Soldiers' Civil Re-establishment the sum of approximately \$5,000 representing hospital charges against public and charity cases but subsequently established by the Manitoba Command, G.W.V.A., as being

eligible for treatment under the D.S.C.R., from whom the recovery was made.

22. That I am further informed by the said Albert Pearce and do verily believe, that 90 per cent of all recoveries made by the City of Winnipeg from the D.S.C.R., as aforesaid during the year 1924 were as a result of adjustments secured by the Manitoba Command, G.W.V.A.

23. That as a direct result of the establishment by the Manitoba Command, G.W.V.A., of many pension claims in the City of Winnipeg the said city has been relieved of responsibility for relief in said cases and the responsibility transferred to the D.S.C.R.

24. That attached hereto and marked Exhibit "G" (See Exhibit No. 7 in printed proceedings) is a copy of a resolution purporting to have been passed at a meeting held in the Bulman Block, Winnipeg headquarters of the Army and Navy Veterans in Canada, at which the following Associations were represented: Army and Navy Veterans' in Canada, Imperial Veterans in Canada, Amputations Association, Naval Veterans Association. The date of the said meeting is not stated.

25. That I am informed and do verily believe that no notification of the said meeting was given to the Great War Veterans' Association although said association is a member of the Joint Veterans' Poppy Day Committee and I am further informed and do verily believe that the holding of the said meeting was kept secret from the G.W.V.A., and that the passing of the said resolution was concealed from the G.W.V.A.

26. That I am informed and do verily believe that no notification of the said meeting was given to the War Widows and Widowed Mothers Association although said association is a member of the Joint Veterans' Poppy Day Committee and I am further informed and do verily believe that the holding of the said meeting was kept secret from the War Widows and Widowed Mothers Association and that the passing of the said resolution was concealed from the said association.

27. That the clear inference* appearing from the said resolution: viz.— that the Manitoba Provincial Command, G.W.V.A., did purchase small poppies at \$15 per thousand and did charge the Poppy Day Committee the sum of \$40 per thousand is correct as is shown by the audited statement, Exhibit "E".

28. That the cost to the Manitoba Command, G.W.V.A., of poppies of all kinds including wreaths, sold to the joint Veterans' Poppy Day Committee for the year 1924 was \$1,530.72. That the cost to the Command of small poppies specifically referred to in the declaration Exhibit "G" was \$20 per thousand. The pro rata administrative costs chargeable against the Winnipeg Poppy Day Committee was \$392.30 based on a proportional cost of the Province-wide campaign and includes the costs as shown in detail in the audited statement marked Exhibit "D3". The item of \$234.90 chargeable against the Joint Veterans Committee and shown in audited statement Exhibit "E" is made up as follows: \$183.80 collected by the Command from Winnipeg public schools and handed by the Command to the Joint Veterans' Committee; \$51.10 is a pro rata assessment for relief advanced by the Command prior to and in anticipation of the disbursements from the Poppy Fund.

29. That all poppies are purchased by the Command on a non-returnable basis. The risk therefore of an unsuccessful campaign due to the climatic uncertainty in Manitoba during the month of November, or to any other cause, is entirely borne by the Command. It has been, therefore, a matter of ordinary business precaution that provision be made for this risk in deciding prices.

30. That the names and addresses of the officers and executive of the Manitoba Provincial Command under whose direction the Campaigns have been carried out for the years 1922-1923 and 1924 are as follows:—

1922

Name	Address
Andrew Irwin, Esq., President.....	Gladstone, Man.
P. G. Rumer, Esq., Vice-President.....	Winnipeg, Man.
Lieut. E. E. Spencer, Vice-President.....	Morden, Man.
Lieut. J. R. Bowler, Executive.....	Winnipeg, Man.
Major J. H. Martinson, Executive.....	Douglas, Man.
Capt. F. Scrase, Executive.....	Dauphin, Man.
Major R. J. Shore, Executive.....	Winnipeg, Man.
Capt. W. J. Baldock, Executive.....	Brandon, Man.

1923

Name	Address
A. E. Moore, Esq., President.....	St. Vital, Man.
Lieut. E. E. Spencer, Vice-President.....	Morden, Man.
Lieut. A. Cairns, Vice-President.....	Brandon, Man.
P. G. Rumer, Esq., Executive.....	Winnipeg, Man.
Andrew Irwin, Esq., Executive.....	Gladstone, Man.
Major J. H. Martinson, Executive.....	Douglas, Man.
Captain J. W. Baldock, Executive.....	Brandon, Man.
C. H. Vincent, Esq., Executive.....	Carberry, Man.
Captain F. Scrase, Executive.....	Dauphin, Man.
Major H. P. Blackwood, K.C., Executive.....	Winnipeg, Man.
H. Andrews, Esq., Executive.....	Transcona, Man.
J. V. Johnston, Esq., Executive.....	Winnipeg, Man.
G. S. Walters, Esq., Executive.....	Winnipeg, Man.
W. H. Bryne, Esq., Executive.....	Winnipeg, Man.

1924

Lieut. E. E. Spencer, President.....	Morden, Man.
J. V. Johnston, Esq., Vice-President.....	Winnipeg, Man.
Lieut. A. Cairns, Vice-President.....	Brandon, Man.
Captain J. W. Baldock, Executive.....	Brandon, Man.
F. Bean, Esq., Executive.....	Starbuck, Man.
C. G. Whitehurst, Esq., Executive.....	Kenora, Ont.
P. G. Rumer, Esq., Executive.....	Winnipeg, Man.
Major H. P. Blackwood, K.C., Executive.....	Winnipeg, Man.
W. Piper, Esq., Executive.....	Sprague, Man.
A. Day, Esq., Executive.....	Roblin, Man.
C. E. Isaacs, Esq., Executive.....	Port Arthur, Man.
P. Neilson, Esq., Executive.....	Winnipeg, Man.
W. Taylor, Esq., Executive.....	Winnipeg, Man.

Secretary 1922-..... Mr. J. R. Bowler.
 Secretary 1923-1924..... Mr. A. H. Yetman.

And I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of The Canada Evidence Act.

Declared before me at the city of Winni- }
 peg, in the Province of Manitoba, } (Sgd.) A. H. YETMAN.
 this 13th day of June, A.D., 1925. }

(Sgd.) G. G. BROOKS, J.P.

(Exhibit "D" to Statutory Declaration)

J. M. DUNWOODY & Co.,

CHARTERED ACCOUNTANTS

WINNIPEG, MAN., June 12, 1925.

The Executive Committee, Great War Veterans' Association of Canada, Inc.,
Manitoba Provincial Command, Winnipeg, Manitoba.

Re Poppy Day Fund

GENTLEMEN,—We have audited the books and accounts of the Poppy Day Fund for the 1922, 1923 and 1924 campaigns and submit herewith the following statements:—

Statements of Receipts and Disbursements for the years 1922, 1923 and 1924.

Summarized statement of Receipts and Disbursements for the said campaigns.

Statement of General Veterans' Committee Sales for the said campaigns.

We would point out that the term "Sales" on the receipts side of the statements includes donations in a number of cases were the remittances received by the Command or for the total amount of collections made at a particular point and not for the invoice price of the poppies.

We certify that the attached Statements are properly drawn up so as to set forth the receipts and disbursements of the Fund according to the best of our information and the explanations given us and as shown by the books.

Yours faithfully,

(Sgd.) J. M. DUNWOODY & CO.,

Chartered Accountants,

Auditors.

(Exhibit "D" to Statutory Declaration)

THE GREAT WAR VETERANS' ASSOCIATION OF CANADA (INCORPORATED)—MANITOBA
PROVINCIAL COMMAND

POPPY DAY FUND

COMPARATIVE STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE YEARS, 1922, 1923 AND 1924

Year	Sales	Cost	Gross Profit	Adminis- tration Expenses	Relief, etc.	Net Profit	Percentage of Net Profit on Sales
	\$	\$	\$	\$	\$	\$	%
1922.....	5,642 58	3,737 50	1,905 08	508 08	138 00	1,259 00	22.31
1923.....	6,423 78	3,713 75	2,710 03	697 30	71 50	1,941 23	30.22
1924.....	7,625 53	3,957 40	3,668 13	1,005 90	314 85	2,347 38	30.78
Total.....	19,691 89	11,408 65	8,283 24	2,211 28	524 35	5,547 61	83.31

PERCENTAGE OF AVERAGE NET PROFIT ON SALES FOR THREE YEARS

Average Sales
\$6,563 96Average Net Profit
\$1,849 20Average percentage Net Profit on Sales
28.17 per cent

This is the document Marked "D" referred to in the declaration of A. H. Yetman, sworn to before me this 13th day of June, 1925.

(Sgd.) G. G. BROOKS, J.P.

Commissioner in B.R.

(Exhibit "D" to Statutory Declaration)

GREAT WAR VETERANS' ASSOCIATION OF CANADA (INCORPORATED)—MANITOBA
PROVINCIAL COMMAND

POPPY DAY FUND

STATEMENT OF RECEIPTS AND DISBURSEMENTS—1922 CAMPAIGN

<i>Receipts</i>	
Sales.....	\$ 5,642 58
Widows' and Orphans' Fund—Manitoba Veteran.....	325 00
	<u>\$ 5,967 58</u>
<i>Disbursements</i>	
Poppy purchases.....	\$ 3,737 50
G.W.V.A.—Manitoba Provincial Command.....	1,225 93
Salaries.....	350 00
Relief.....	138 00
Stamps.....	48 00
Boxes.....	35 14
Advertising.....	24 80
Stationery.....	20 27
Delivery—Outwards.....	9 68
Insurance.....	8 50
Freight—Inwards.....	7 65
General expenses.....	4 04
	<u>5,609 51</u>
Balance—Cash on hand and in bank carried forward.....	358 07
	<u>\$ 5,967 58</u>

(Exhibit "D" to Statutory Declaration)

GREAT WAR VETERANS' ASSOCIATION OF CANADA (INCORPORATED)—MANITOBA
PROVINCIAL COMMAND

POPPY DAY FUND

STATEMENT OF RECEIPTS AND DISBURSEMENTS—1923 CAMPAIGN

<i>Receipts</i>	
Cash on hand and in bank—	
Brought forward from 1922 Campaign.....	\$ 358 07
Sales.....	6,423 78
	<u>\$ 6,781 85</u>
<i>Disbursements</i>	
Poppy purchases.....	\$ 3,713 75
G.W.V.A.—Manitoba Provincial Command.....	1,925 15
Salaries.....	350 00
Stationery.....	198 99
Relief.....	71 50
Boxes.....	53 06
Stamps.....	45 00
Advertising.....	35 00
Delivery—Outward.....	13 80
General expense.....	1 00
Freight—Inward.....	0 45
	<u>6,407 70</u>
Balance—Cash on hand and in bank carried forward to 1924 Campaign.....	374 15
	<u>\$ 6,781 85</u>

*(Exhibit "D" to Statutory Declaration)*GREAT WAR VETERANS' ASSOCIATION OF CANADA (INCORPORATED)—MANITOBA
PROVINCIAL COMMAND

POPPY DAY FUND

STATEMENT OF RECEIPTS AND DISBURSEMENTS—1924 CAMPAIGN

Receipts

Cash on hand and in bank—	
Brought forward from 1923 Campaign.....	\$ 374 15
Sales.....	7,625 53
	<u>\$ 7,999 68</u>

Disbursements

Poppy purchases.....	\$ 3,907 40
(Wreaths).....	50 00
G.W.V.A.—Manitoba Provincial Command.....	2,000 00
Salaries.....	458 00
Stationery.....	216 97
Joint Veterans' Committee—Schools.....	183 80
Stamps.....	120 50
Relief.....	102 25
Advertising.....	75 00
Delivery—Outwards.....	66 50
Boxes.....	58 33
Boxes—Collection.....	16 80
Khaki Club donation.....	12 00
Rent.....	10 00
General expenses.....	0 60
	<u>7,278 15</u>
Balance—Cash on hand and in bank.....	721 53
	<u>\$ 7,999 68</u>

This is the document marked Ds referred to in the declaration of A. H. Yetman, sworn before me this 13th day of June, 1925.

(Sgd.) G. G. BROOKS, J.P.,
Commissioner in B.R.

*(Exhibit "E" to Statutory Declaration)*THE GREAT WAR VETERAN'S ASSOCIATION OF CANADA (INCORPORATED)—MANITOBA
PROVINCIAL COMMAND

POPPY DAY FUND

STATEMENT OF JOINT VETERANS' COMMITTEE SALES FOR THE YEARS 1922, 1923 & 1924

	1922	1923	1924
Sales.....	\$3,200 50	\$3,521 25	\$2,974 30
Cost.....	2,165 62	1,909 07	1,570 32
Gross profit.....	1,034 88	1,612 18	1,403 98
Administrative expenses (proportion)...	\$288 18	\$382 25	\$392 30
Relief (proportion).....	78 27	39 19	234 90
	<u>366 45</u>	<u>421 44</u>	<u>627 20</u>
Net profit.....	<u>\$ 668 43</u>	<u>\$1,190 74</u>	<u>\$ 776 78</u>
Percentage net profit on sales.....	<u>20.89%</u>	<u>33.81%</u>	<u>26.12%</u>

J. M. DUNWOODY & COMPANY,
Chartered Accountants, Auditors.

WINNIPEG, Man., June 12, 1925.

This is the document marked "E" referred to in the declaration of A. H. Yetman sworn before me this 13th day of June, 1925.

.....
Commissioner in B.R.

EXHIBIT No. 20

OTTAWA, ONT., June 9, 1925.

Hon. N. A. BELCOURT, P.C.,
The Senate, Ottawa, Ont.

DEAR SIR,—At a meeting held on June 8 in Ottawa, at which the following gentlemen were present:—

Colonel Clarke, Canadian Legion;
Captain Colborne, Army and Navy Veterans of Canada;
H. M. McLeod, G.A.U.V.;
R. Myers;
A. Palmer, Amputation Society;
E. S. B. Hind, T.V.A.;
E. S. Keeling, Acting Secretary;

I was instructed to submit for your consideration and approval the following suggestions *re* Bill 32, Section 5:—

We would respectfully suggest that this be changed and amended as follows:—

By striking out the words—(a majority of).

That Colonel Dubuc, member of the Ralston Commission, be asked to appear and explain to your Committee the recommendations of the Royal Commission contained on pages 149 and 150 of the final report on the second part of the investigation, and the suggestions incorporated under Section 6. Bill 32, now before your Committee.

Re Section 6, Subsection B

It is suggested that this be struck out in its entirety.

It is further respectfully suggested for your earnest consideration that the time has arrived when no further grants be made by the Government from Canteen or public funds to any veterans' association for the purpose of establishing and maintaining a service or Adjustment Veterans' Bureau in Ottawa.

All these suggestions are respectfully submitted.

I am, dear sir,

Yours respectfully,

E. S. KEELING,

Secretary.

EXHIBIT No. 21

DEPARTMENT OF SOLDIERS' CIVIL RE-ESTABLISHMENT

DEPUTY MINISTER'S OFFICE,

OTTAWA, June 13, 1925.

Re Disablement Fund

DEAR SIR,—I think that possibly you may desire to have a statement of the position of the Disablement Fund as at the 31st May. This is as follows:—

Net subscriptions.....	\$ 93,708 70
Interest earned and received since 1925.....	51,839 62
	<u>\$ 145,548 32</u>

This amount is held and accounted for as follows:—

Cash on hand.....	\$ 1,768 64
(1) Securities at cost.....	71,271 66
Sundry head office loans.....	20,336 58
Sundry unit funds.....	14,840 00
Loan to Dominion Veterans' Alliance.....	15,000 00
Doubtful head office advances.....	3,851 94
Bad debts written off.....	7,699 34
Donations written off.....	10,379 80
Administration expenses.....	400 36
Total.....	<u>\$ 145,548 32</u>

(2) Present value about \$80,000.00.

Yours faithfully,

E. H. SCAMMELL,

Assistant Deputy Minister.

Senator the Hon. N. A. BELCOURT, K.C.,

Chairman Senate Committee on Pensions and Canteen Funds Bills,
The Senate, Ottawa, Ont.

EXHIBIT No. 22

DEPARTMENT OF SOLDIERS' CIVIL RE-ESTABLISHMENT

COPY of a Statement of Expenditures made by the Dominion Command,
G.W.V.A., of moneys received under provisions of P.C. 2378

EXPENDITURES COVERING THE PERIOD OF JULY 1, TO SEPTEMBER 20, 1921

27/7/1921—By cheque received from Minister of Finance deposited Bank of Commerce.....	\$ 20,000 00
18/8/1921—By cheque received from Minister of Finance deposited Bank of Commerce.....	10,000 00
20/9/1921—By cheque received from Minister of Finance deposited Bank of Commerce.....	10,000 00
20/9/1921—To expenditures as per statement attached.....	\$ 28,449 57
20/9/1921—To unexpended balance.....	11,550 43
	<u>\$ 40,000 00</u> <u>\$ 40,000 00</u>

Certified correct,

(Sgd.) LEO S. DUFFY,
*Accountant, G.W.V.A. of
Canada.*

(Sgd.) GEO. L. BLATCH, F.C.A.,
*Auditor, Dominion Command,
G.W.V.A. of Canada.*

Ottawa, Ontario, September 30, 1921.

To Expenditures July, 1921—

Salaries.....	\$ 1,464 99
Office supplies and stationery.....	191 27
Postage, telegrams and telephones.....	40 25
Supplies purchased.....	86 36
Furniture and fixtures.....	143 54
Rent.....	209 67
Auditing fees.....	200 00
Propaganda.....	60 00
Insurance.....	78 00
General expenses sundries.....	5 25
Travelling expenses paid <i>re</i> delegates attending Port Arthur Conference as per attached statement.....	5,316 29

Expenditures August, 1921—

Office supplies and stationery.....	\$ 218 81
Postage, telephone and telegraph.....	25 00
Salaries.....	1,499 26
Travelling expenses.....	318 20
Rent.....	209 67
Veteran Limited (legal adjustment).....	700 06
Veteran Limited subscriptions.....	8,000 00
General expenses.....	1 50
Propaganda.....	60 00
Ontario Provincial Command Loan reorganization purposes.....	2,000 00
British Columbia Command reorganization purposes.....	1,000 00
	\$ 21,828 06

Total Expenditures July and August, 1921.....	\$ 21,828 06
Unexpended balance, 31/8/21.....	8,171 94
	<u>\$ 30,000 00</u> <u>\$ 30,000 00</u>

I hereby certify the above statement is correct. All expenditures have been properly authorized and certified vouchers submitted for pre-audit before payment was made.

(Sgd.) LEO. S. DUFFY, Accountant,
G.W.V.A. of Canada:

Ottawa, Ont., September 14, 1921.
Audited and certified correct,

(Sgd.) GEO. L. BLATCH, F.C.A.,
Auditor Dominion Command, G.W.V.A.

Information and Service—

Postage.....	\$ 140 91
Telephone.....	58 13
Stationery, printing and publicity.....	655 58
Advances to Provincial Commands.....	4,000 00
Salaries adjustment department.....	2,020 83
Sundry expenses, general.....	5 25
Expressage, exchange, etc.....	3 29
	<u>\$ 6,883 99</u>

Organization Development and Maintenance—

Rent.....	\$ 419 34
Furniture and fixtures including electrical fixtures.....	165 04
Audit fees.....	200 00
Supplies purchased.....	210 60
Salaries of staff.....	1,849 16
Insurance furniture and fixtures.....	53 00
Insurance Premium Renewal Bond, L.F.D.....	25 00
Purchase of additional office equipment.....	1,443 65
Membership Information Service.....	5,000 00
Special Adjustment Account Montreal Central Branch.....	700 00
	<u>\$ 10,065 79</u>

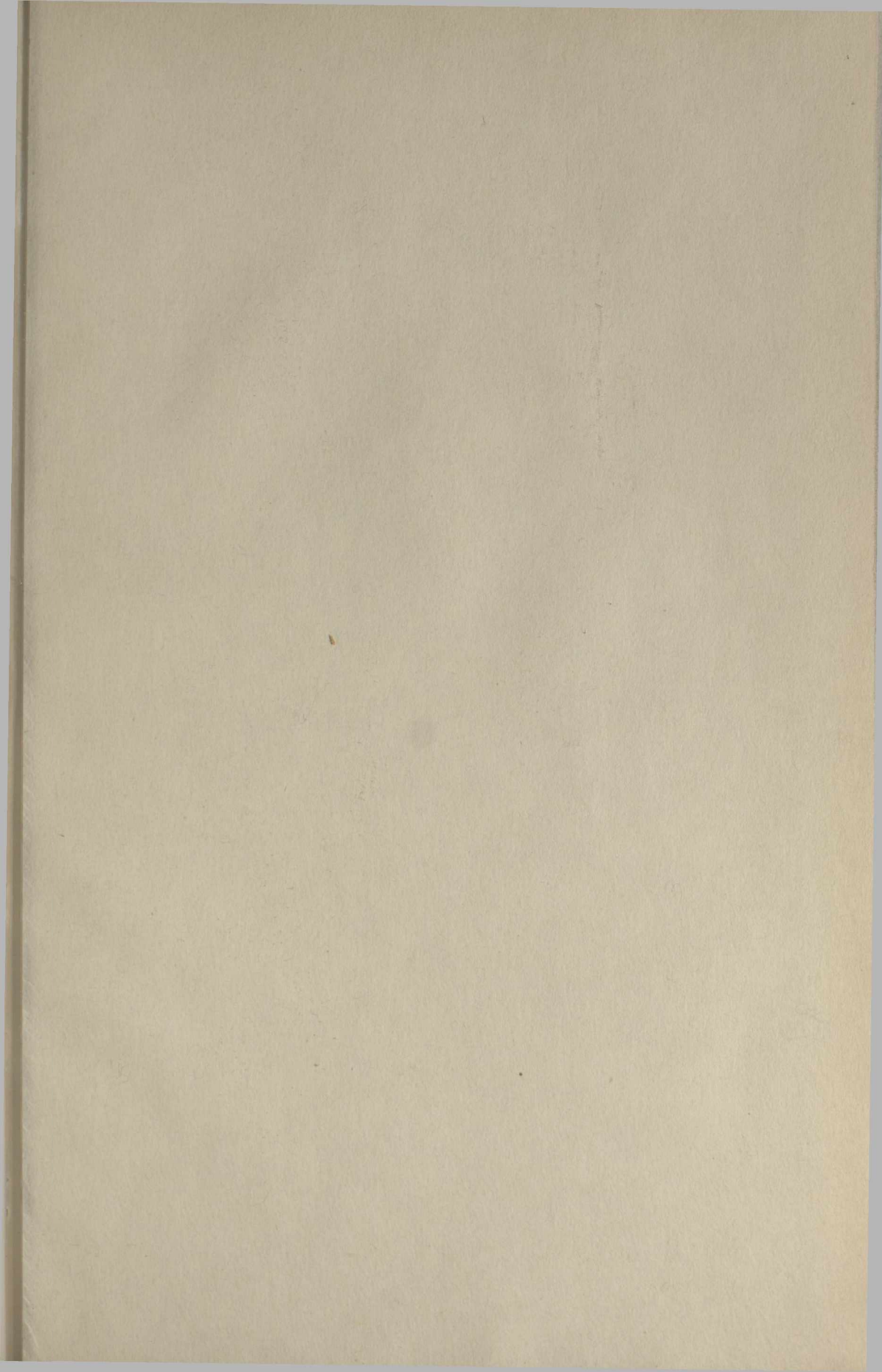
Unemployment Organization—

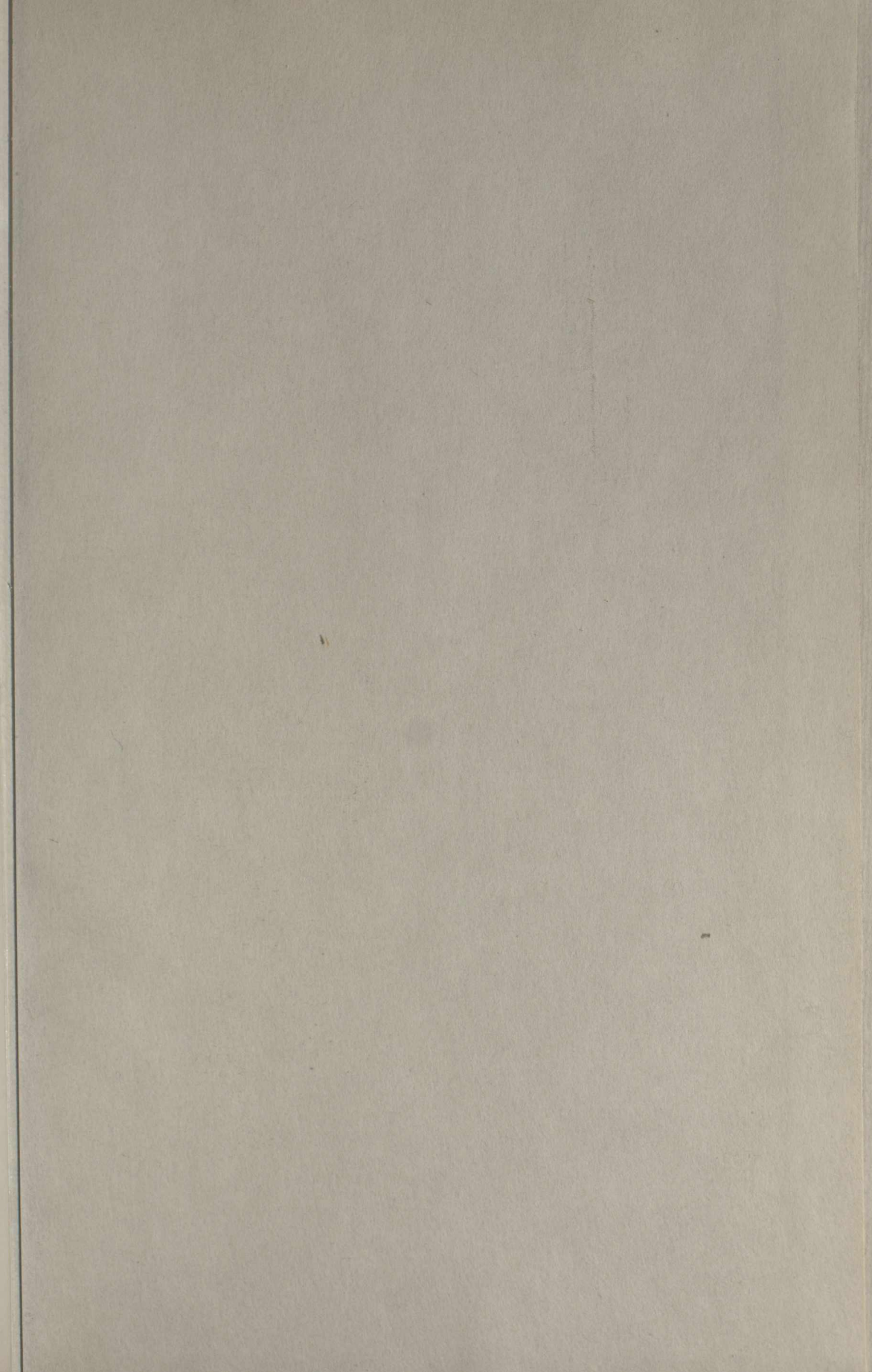
Travelling expenses of delegates attending Port Arthur Conference, July 4-9, 1921 as per statement submitted.....	\$ 5,316 29
Public Information and Service.....	5,000 00
Travelling expenses.....	\$ 1,196 40
Less Refund unexpended balance T.C.L.....	12 90
	<u>1,183 50</u>
	<u>\$ 11,499 79</u>
Total expenditures.....	<u>\$ 28,449 57</u>

Certified correct,

(Sgd.) LEO. S. DUFFY, Accountant,
G.W.V.A. of Canada.
(Sgd.) GEO. L. BLATCH, F.C.A.,
Auditor, Dominion Command,
G.W.V.A. of Canada.

Ottawa, Ont., September 30, 1921.





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