

K-14-4

**The
Canadian Liberal Monthly**

Sept., 1917, to May, 1918

also

**The
Canadian Liberal Weekly**

Nov. 9th, 1917, to Dec. 28th, 1917

VOLUME V.

Published by
Central Information Office of the Canadian Liberal Party
Hope Chambers, Ottawa
1918

PRICE, 60 CENTS

The
Canadian Liberal Monthly

Sept., 1917, to May, 1918

also

The
Canadian Liberal Weekly

Nov. 9th, 1917, to Dec. 28th, 1917

VOLUME V.

Published by
Central Information Office of the Canadian Liberal Party
Hope Chambers, Ottawa
1918

PRICE, 60 CENTS

Canadian Liberal Monthly

Sept., 1917, to May, 1918

TABLE OF CONTENTS

	<i>Page.</i>	<i>Issue</i>		<i>Page.</i>	<i>Issue</i>
Australia & Conscription	71	5			
Borden Sir Robert:			Lord Shaughnessy, speech on C.N.R. deal	24	1
Found Wanting	2	1	Civil Service:		
Campaign Literature of Opponents ..	28	1	Appointments to Food Controllers Office	3	1
The Administrations' Record	34	2	Employees in Agricultural Department	31	1
The "Win the Warriors"	50	3	Questionable Appointment of J. S. Porter	41	2
The Interests at Work	51	3	Canada's Trade	100	8
Did not discuss Conscription with Brit- ish Government	58	3	Conscription:		
Platform 1917-1911-1907	63	3	Sir Wilfrid Laurier wishes it carried out Harmoniously	24	1
Despair of Popular Government	66	4	Exemptions	48	2
The Borden Family Compact	66	4	Sir Robert Borden did not discuss with Great Britain	58	3
The Two Policies	68	4	Australia's Conscription Referendum .	70	5
Members of the Union Government At- tack Borden Administration	74	4	Australia and Conscription	71	5
British Institutions Ignored	50	3	Election Conscription	74	6
Cartoons:			Conscription and Exemptions (table).	80	6
"On the Rocks"	1	1	Staff of Central Appeal Judge	97	8
Milking Time C.N.R.	11	1	Canada and the War:		
The Story of two Cheques	15	1	Position of Rt. Hon. Sir Wilfrid Laurier	26	1
Waiting for the (C:N:R:) Verdict ..	19	1	Win the War, Resolution Winnipeg Convention	61	3
Bleeding the Public	33	2	What Canada expects	82	7
The Fine Roman Hand	41	2	Camp Borden, Purchase of Land	98	8
The Thrift Adviser	49	3	Democracy:		
A Ray of Hope	58	3	Shall free democracy prevail	59	3
Christmas 1917	65	4	Dandurand, Senator:		
Can he Shake His Ghosts	73	4	French Canadian Enlistments, Speech .	75	4
Canadian Northern Railway Asquisition Bill:			Dominion Election Results	65	5
Modern Highway Robbery	2	1	Dominion Election Results	84	7
The Closure On	3	1	Dominion Election Results 1917-1911- 1908	87	7
The Toronto Interests and the Closure	5	1	Election:		
The Right Hon. Sir Wilfrid Laurier, speech	10	1	The War Time Election Act	21	1
Hon. Geo. P. Graham, speech	12	1	Election Results	65	5
Hon. Chas. Murphy, speech	12	1	Deprive Electors from voting	68	5
Hon. R. Lemieux, speech	13	1	Disqualification of Electors in Austra- lia	68	5
Hon. Frank Oliver, speech	14	1	Voting in France	68	5
Hon. Wm Pugsley, speech	16	1	Soldier, Soldiers, (ad)	69	5
D. D. McKenzie, M.P., speech	16	1	Oakville, Alta., short of Ballots	70	5
F. N. McCrea, M.P., speech	16	1	An Echo from New-Brunswick	72	5
E. M. Macdonald, M.P., speech	17	1	The Enumerators	73	6
W. M. German, M.P., speech	17	1	Conscription	74	6
G. W. Kyte, M.P., speech	17	1	Results General Election 1917	84	7
J. H. Sinclair, M.P., speech	18	1	Results General Election, 1917-1911- 1908	87	7
W. E. Knowles, M.P., speech	18	1	Total Soldier Vote	100	8
P. Michaud, M.P., speech	18	1	Women Should Vote	100	8
O. Turgeon, M.P., speech	19	1	Exploiters, The	30	1
J. J. Hughes, M.P., speech	19	1	Expenditures, Public Works	88	7
E. W. Tobin, M.P., speech	20	1			
J. A. Robb, M.P., speech	20	1			
E. W. Nesbitt, M.P., speech	20	1			
F. F. Pardee, M.P., speech	20	1			
A. B. Copp, M.P., speech	21	1			
F. B. Carvell, M.P., speech	21	1			
G. E. McCraney, M.P., speech	21	1			

	<i>Page.</i>	<i>Issue</i>		<i>Page.</i>	<i>Issue</i>
Enlistments for Overseas	91	8	Employees used to complete political lists	76	4
General Newburn in Russell Theatre, Ottawa	29	4	Purchase of Land at Camp Borden ..	98	8
Sir Wilfrid Laurier was not asked to cooperate in voluntary enlistments	30	4	Members of House of Commons serving at Front	45	2
Finance:			Manifesto Rt. Hon. Sir Wilfrid Laurier. Newburn, General, attacks Borden Government	52	3
Our High Finance	2	1	National Service:		
Canada's Credit	28	1	Its Chairman, R. B. Bennett	29	1
Revenue Collecting in Britain and in Canada	32	1	Naturalization:		
Financial Statement, Sept. 1, 1917	46	2	Canada's Oom Paul Methods	34	2
War borrowings & Expenditures	47	2	News Print:		
An Insult to Liberals	73	4	How the Government controlled the price	30	4
Food:			Oleomargarine	83	7
Canadians to States and American coming to Canada	30	1	O'Connor, W. J., Resigned	91	8
Women against	36	2	Profiteering:		
Does Great Britain want food and ships or men	60	3	Salt Water at 25 cents a pound	62	3
Let starvation ensue	66	5	Public Works Expenditures	88	7
Food situation of the Allies	81	7	Policies, The Two	68	4
Cold storage Eggs and Good Products	83	7	Proportional Representation, Part I, ..	77	6
Mr. Food Controller	88	7	Proportional Representation, Part II.,	96	8
W. F. O'Connor Resigned	91	8	Proportional Representation, Part III.,	100	8
The destruction of food	91	8	Patronage:		
Franchise Act	37	2	Their Reward	74	6
Flavelle Sir Joseph, Personal profits	48	2	Patronage	74	6
French Canadian Enlistments:			Sacrifice rewarded	91	8
Speech by Senator Dandurand	75	4	How the Government protects its own	91	8
Fuel Situation, The	66	5	Production:	74	6
Fish	74	6	Production and Protection	81	7
Feeding Flour to Hogs	80	6	The Liquor Question	70	5
France and the War	88	7	Quebec Riots	89	8
High Cost of Living:			Speech by Rt. Hon. Sir Wilfrid Laurier	92	8
Reports of W. F. O'Connor on High Cost of Living	22	1	Ross Rifles:		
Labour Gazette, June 1917	44	2	Made from defective parts	25	1
Income Tax	31	1	The Ross Rifle	44	2
Liberalism:			Rogers, Hon. Robert:		
The Winnipeg Convention	4	1	Rewarding the faithful (Samuel Pommeroy)	3	1
Win the War Resolution, Winnipeg Convention	61	3	The Whitewashing Report of McLeod and Tellier	4	1
The Two Policies	68	4	Testimonial from 70 Members	25	1
A Liberal Policy adopted	66	5	Sparkling Bob for Premier	36	2
Liberals and Laurierites	76	6	Rowell, Hon. N. W.:		
Laurier, Right Honourable Sir Wilfrid:			Has he buried principles	44	5
On C. N. Railway acquisition bill	10	1	Shaughnessy, Lord, speech on C.N.R. deal	24	1
Conscription to be carried out harmoniously	24	1	Soldiers:		
His position re Canada and the War ..	26	1	Rates of Pay, Canada, Great Britain, Australia and New Zealand	27	1
The West for Laurier	48	2	Pay sufficient says Government Organization	29	1
Manifesto Nov. 5, 1917	52	3	Sifton on Saskatchewan Liberalism	99	8
Speech on Quebec Riots	92	8	Special train for Sir Thos. White	26	3
Law, Hon. Bonar:			United States Organization for Prosecution of the war	42	2
Great Britain has surplus of men	26	1	Union Government:		
Liquor Question, The	70	5	Please remove the Halo	67	5
Militia:			Must raise 100,000 men	77	6
Shuffling a Report (Bruce)	35	1	Victory Loan:		
Cheating Public Opinion	66	4	An Insult to Liberals	73	4
General Newburn and the Militia Dept.	66	4			

Canadian Liberal Weekly

Nov. 9th, 1917, to Dec. 28th, 1917

TABLE OF CONTENTS

	<i>Page</i>	<i>Issue</i>		<i>Page</i>	<i>Issue</i>
Borden, Sir Robert					
Expenditures of Borden Government	32	4	The Soldier Vote	67	8
Admits he did not ask Sir Wilfrid to assist in voluntary enlistments..	43	5	Election notice	68	8
Bourassa in 1911 and now	40	5	Enumerators:		
Bourassa-Borden Alliance	49	6	Their work	34	4
Blake, Hon. Edward, loathed iniquity	62	8	The work of	47	6
Cartoons:			How a Conservative Member wanted manipulation	67	8
The Birth of Union Government	27	3	Finance:		
Salt and Water, 28 cents per pound	33	4	Expenditure of Borden Government..	32	4
How the Soldiers win the war in France and how "others" win it in Canada	41	5	One of the Big Financiers	34	4
Bourassa-Borden Alliance	49	6	Wildest extravagance of New Ministers	46	6
The Press	51	6	Financial Facts and Figures	47	6
Civil Service:			Food:		
Another Useless Appointment	40	5	Cost of Living Increases	21	3
Dr Reid looks after his own	42	5	Food prices and the workers	22	3
More necessary appointments	43	5	Food cheaper in England	23	3
Tory Economy	44	5	German influence behind criticism of Food Control Office	35	4
Government employee does dynamiting in Montreal	51	6	Food or Men	36	4
Canadian Northern Railway Acquisition Bill:			The World Famine	47	6
C. N. R. Train for Sir Thomas	34	4	Food—Food—Food	49	6
C.N.R. valuation of stock	17	2	France faces High Deficit of Wheat	63	8
Conscription:			Farmers discuss Food production	63	8
Conscription of Farm Labour	28	3	Bread, Fish need of Italy	66	8
Lanark County Farmers protest against work of Tribunals	29	4	Allies or Food	68	8
Conscription of men, no conscription of wealth	43	5	Fielding, Honourable W. S.:		
Are Farmers to be exempted	44	5	and the New Government	15	2
Soldier vote against Borden Government	52	6	Hughes, Sir Sam and Union Government	11	1
Referendum in Australia	67	8	Imperialism	65	8
As a means to get elected	68	8	Liberalism:		
Commissions appointed	11	1	The Liberal Weekly	2	1
Camp Borden, purchase of land	98	8	Manifesto, 1917	3	1
Election:			Liberals Insulted	23	3
Opinion of Campaign in Winnipeg	3	1	Liberal Leaders Then and now	50	6
Manifesto, Election 1917	4	1	The Forces of Liberalism	66	8
Tories wanted general election	15	2	Laurier, Right Honourable Sir Wilfrid:		
Are they afraid to face electors	18	2	Declarations in Manifesto	1	1
What the people are saying	19	2	The Common People	14	2
A letter from Manitoba	20	2	Not asked to co-operate in voluntary recruiting	30	4
The General Elections	53	7	Extracts from speech delivered at Quebec, Friday, November 9, 1917.	35	4
The Result of the General Elections..	54	7	Extracts from speech delivered Nov. 27 1917	37	5
The Wartime Election Act	62	8	His recruiting speeches	42	5

	<i>Page.</i>	<i>Issue</i>		<i>Page.</i>	<i>Issue</i>
Borden admits he did not ask Sir Wilfrid Laurier to co-operate in voluntary enlistments	43	5	Government sidetracked Pension Bill .	26	3
No alliance with Bourassa	50	6	Women Canvassers	48	6
Leader, Who is your	18	2	From a soldier in the trenches	51	6
Militia:			The S. O. S. from Halifax	52	6
Hon Newburn attacks Union Govt. . .	13	2	Ships —Primary need	65	8
Department suspended employee who refused to do political work	23	3	Tory Appointments, recent	20	2
More politics	36	4	Tariff, Reduction of	36	4
Minister proves that voluntary enlistment is not dead	42	5	What the two politicians promised	39	5
More politics	50	6	Tariff, Big Issue	67	8
Men, the Kaiser would vote for	31	4	Union Government:		
Methodists—Prominent Edmonton.			Father of Union Government	2	1
Recent imputations of disloyalty	66	8	Opening of Campaign in Winnipeg ..	3	1
Profiteering:			Sir Sam Hughes and	11	1
A few choice epitaphs of Sir Joseph Flavelle	28	3	What the people are saying	12	1
Salt and water at 28 cents per pound ..	33	4	Members of—attack old administration	13	2
Press:			Canadian Junkers in power	14	2
What it is saying	10	1	Mr. Fielding and the new Government	15	2
Advice from disloyal organs	42	5	Winnipeg meeting	16	2
Are the press suppressing information	51	6	Members of—attack Borden administration	19	2
Patronage:			How a member of it is conducting his campaign in Quebec	43	5
At Experimental Farm	23	3	The final struggle of a discredited Government	45	6
Quebec loyal, says Montreal Star	61	8	Bids for votes	48	6
Soldiers:			Are they afraid to face Electors	18	2
Soldiers and their dependents	24	3	Victory Loan —Toronto controls	40	5
			Women votes and what has been done in the House of Commons	64	8

THE CANADIAN LIBERAL MONTHLY

VOL. V. No. 1.

OTTAWA, SEPTEMBER, 1917.

TWO CENTS

ON THE ROCKS, OR



SAFETY FIRST FOR SOME,

THE CANADIAN LIBERAL MONTHLY

is issued from the Central Information Office of the
Canadian Liberal Party. Hope Chambers, Ottawa.

PRICE 25c A YEAR

"FOUND WANTING" WHEN PUT TO THE TEST.

THE development following the proposal of the Western Liberals favouring conscription and a union government that such an administration be formed under the leadership of one of several prominent Canadians, but that Premier Borden be asked to step down, is the most effective answer to the claim of win-the-war devotion and sacrifice put forward with such insistency by the administration press and supporters. The Conservative party, which had shouted itself hoarse in denouncing Sir Wilfrid Laurier for his refusal to enter a government committed to policies of which he disapproved, has been forced to swallow itself, and in a manner that can leave no doubt in the minds of intelligent Canadians that the whole past attitude of the government in the matter of winning the war has been merely partisan politics of the shabbiest character. Confronted with the alternative of clinging to party, as represented in the person of Premier Borden, or of uniting for a more vigorous and non-political prosecution of the struggle, the Tory party, with crocodile tears of affection for the premier streaming down their faces, refused to enter such a compact although realizing that only under such circumstances was it possible to bring about that union which they had professed to be so eager to accomplish, and for the difficulty of effecting which they had so vehemently and vociferously abused Sir Wilfrid Laurier and his party.

The net result of this decision is that the road to a real union government is still blocked but that it is no longer possible to blame this condition of affairs on the Liberals. The unpalatable truth is forced upon the Conservatives throughout the country that their leaders have been only hoaxing them respecting the desire of the party to assist the boys in the trenches and that the dominant, if hidden, motive has been the retention of power under false pretences. Shouting disloyalty at the Liberals and prating of the patriotism of the government has been the chief occupation of the administration press for weeks. Were we to allow our lads to be decimated by the Huns? Were we to be the first "to slink from the field"? Were we to let the poppies grow in Flanders fields, all unheeding their mute appeal? Never, a thousand times never! But, alas, for all this frothy and meaningless oratory and rhetoric. The bald truth is apparent at last. The boys in the trenches can stay there and the poppies may grow and fall into seed before the Tory administration and the Tory party in Canada will allow the war or anything else to divert them from the business in hand, which is to look after the interests of the big corporations and the political fortunes of the party. A sad ending, truly, to a grandiloquent campaign.

MODERN "HIGHWAY ROBBERY."

THE days of Dick Turpin have long since passed away. So have those Homeric times in the American West when the dusty stage coach, speeding on its way over the rocky mountain roads, was violently and abruptly halted by the stern command of "Hands Up." The lone highwayman and the crew of desperados have ceased to figure in our contemporary history; only in lurid literature are their deeds recounted and admired. A new generation has grown up, and the old motto applies: "Other times, other manners."

The highwayman no longer holds the blunderbuss to his victim's head; the stage robbers no longer haul the express packages to the ground and rifle them in full view of the terrified passengers. Instead of these crude methods the modern extractor of the money of the people uses far more effective, if less spectacular, weapons. When such a coup is on as that recently consummated in the Canadian parliament where the "hold up" is likely to run to the vast sum of 60 million dollars such a thing as a blunderbuss would be sadly de trop. Besides, it is much easier to chloroform the people than to use violence. Hence the "gag" came in very handy and very little work of the bludgeon sort was necessary. Altogether, the big Toronto interests, thanks to Sir Thomas White, who are to profit to the extent of millions of dollars by the barefaced Canadian Northern deal, have reason to congratulate their experienced workers and colleagues in the House who so skilfully manipulated the cards in the matter.

The question is whether the "gang" can get away with it. Already there are ominous signs of trouble on the horizon. A storm is brewing in Montreal and all over the country there are mutterings, even in the ranks of the faithful, that the deal is almost too raw to swallow. Sixty million dollars is a lot of money to throw into the street, to be picked up by the right people, particularly when the nation is groaning under a colossal and steadily mounting debt, which must increase still further as the war goes on. But that isn't troubling the big fellows. The coin is in sight and the joyous chorus goes up, "Hail, Hail, the Gang's All Here."

OUR HIGH FINANCE.

THERE have been three war bond issues by the Canadian government since the beginning of the world conflict in August, 1914, and it is interesting to review Canada's flotation of these issues in the light of the recent discussion in the public press respecting the abnormal expenses of the recent issue of notes in New York.

The 5 per cent \$100,000,000 issue of 1915 brought the government the sum of \$97,003,600.27. It was floated by brokers at a commission of one quarter of one per cent and the banks concerned were also allowed a like commission. The issue price was 97½.

The 5 per cent issue dated 1916 and running until 1931, for \$100,000,000 was also issued at 97½. It netted Canada \$97,789,580.17. The commission to the bond brokers was the same as in the first issue.

But the banks got an increase, being given one half of one per cent instead of one quarter.

The 5 per cent issue dated 1917 and running until 1937 for \$150,000,000 was issued at 96 and the commission paid the brokers was three eights of one per cent. The banks again did better, getting nine twentieths of one per cent. The total proceeds were \$139,882,508.04.

In these three issues the clerical expenses and advertising expenses were very high. For instance, the first loan entailed clerical and other expenses amounting to approximately \$50,000. But the second issue, for exactly the same amount of bonds, and presumably the same amount of clerical assistance and advertising, cost the country \$77,000. The expenses of the third issue were about \$45,000 to the end of May. Since that time, of course, these may have mounted higher.

We now come to the last extraordinary financial transaction of the administration, that dealing with the recent issue of short term notes in New York. This issue was consummated August 1st of this year and proved a soft thing for the brokers and bankers of the Wall Street houses concerned. The notes were for the face value of \$100,000,000 but the Canadian government got for them a sum less approximately than that amount by \$3,750,000. It is probably the most expensive piece of financing to the credit of any government situated as Canada is in relation to the war and the size of the national debt, and the condition of the credit of the nation. And for this loan we are committed to the abnormal interest rate of well over 7 per cent!

The group that floated this issue was the well-known combination of Morgan, Kuhn, Loeb and other financial arbitrators of Wall Street. Our Finance Minister sold this group our notes at the low price of 96. This meant that we would receive for \$100,000,000 worth of 5 per cent notes, maturing in two years, the small sum of \$96,000,000. However, through the good offices of Sir Frederick Williams-Taylor, of the Bank of Montreal, we were remitted $\frac{1}{4}$ of one per cent, so that the issue netted us 96 $\frac{1}{4}$. This saved us a quarter of a million dollars. So that the situation in regard to this issue may be briefly summarized as follows:

- We receive \$96,250,000 in 1917.
- We pay back \$100,000,000 in 1919.
- We pay interest \$10,000,000 in 1918 and 1919.
- Total cost of \$96,250,000 for two years \$13,750,000.

In other words, the transaction will cost this country about \$2,000 a day for the next two years at the end of which we will have the \$100,000,000 to pay back. What have Canadians, what have the hard headed farmers and the workers of the Dominion in this era of high prices and extravagant administration, to say to this species of financial pilotage?

THREATENING FREE SPEECH.

PRUSSIANISM is what Canada is supposed to be fighting against in the present war, but the present administration is not averse to employing German methods to serve its own ends when occasion arises. Anent the report that certain large financial interests in the city of Montreal were op-

posing the outrageous Canadian Northern deal, whereby the government is to put the country in for millions of dollars for the benefit of certain individuals and financial institutions, the Ottawa Journal, the organ of the government in the Capital, thus threatens the Montreal citizens who protest against this shameful transaction:

The Journal newspapers have no use for the cult that is forever shrieking against business and financiers. On the contrary, we take pride in the achievements of Canadian captains of industry in the realm of commerce and finance. But we would like to warn any group of financial gentlemen which attempts to interfere with the will of the Canadian public in this railway question, that if they persist too much in their activities they will be cutting a rod to beat their own backs.

What does the government mean by this threat? Is it not obvious that such an article is inspired and given publicity by the party press to intimidate individuals and concerns of an industrial or financial nature for daring to oppose the reactionary legislation of the rump parliament now in session in the Capital? Have we got to the stage where free speech and the liberty of the citizens is to be thus threatened by the government through the medium of its organs? Surely this form of Prussianism will not be tolerated by the people of this country. Callous defiance of public opinion on the part of the Borden government the people cannot resent at this time, but outspoken threats of this nature will not be permitted under any circumstances. Truly, the beggar on horseback can go too far.

HOW THE "FAITHFUL" WERE REWARDED.

AT the time of the trial in the Winnipeg Courts of the three Ex-Conservative Cabinet Ministers, Messrs. Roblin, Coldwell and Howden, it will be remembered that after a long and somewhat tedious examination the jury disagreed, eleven being in favour of conviction and one against. This dissenting jurymen was Mr. Samuel Pommeroy of Winnipeg, and let it be noted that the date upon which this one jurymen dissented was September 5th, 1916. In consequence of this dissenting jurymen these Honourable gentlemen were not convicted.

It now transpires, according to a question answered by the government in the House on August 27th, 1917, that Mr. Samuel Pommeroy, the same gentleman above referred to, was appointed by the Borden Government, on September 26th, 1916, just 21 days after his dissention in this famous Court trial, to a position in the Federal Public Works Department in the District engineer's office at Winnipeg and afterwards transferred to the position of Assistant Superintendent of Shipyards at Selkirk, Man., at a salary of \$100 a month.

It can be truthfully said that the Honourable Bob was not slow in rewarding the faithful.

1750 Civil Servants to be dispensed will pay the government and the first step in that direction was the appointment of three clerks in the Food Controller's Office, one drawing a salary of \$4,500 a year, a second drawing a salary of \$4,500 a year, and the third \$4,200 a year.

THE WINNIPEG CONVENTION.

Liberalism is progressive or it is not Liberalism. The resolutions adopted by the Winnipeg Convention are accepted as the key-note of Liberalism throughout the Dominion. These resolutions only expressed what was already well known to be Liberal opinion and policy as applied to present conditions. Long before the Winnipeg Convention was held or even thought of, the exploiters and profiteers were casting about for a means of beclouding public opinion so that, to adapt the old song:

"Whatever king might reign,
"They would still be Vicar of Bray."

Or in other words, whether Premier Borden succeeded himself or was succeeded by another, their profiteering would still go on; at any rate until the bones of the country were picked clean and the common people reduced to the condition of the ancient Egyptians after Pharaoh's prime minister, Joseph, had got through with them. These profiteers considered they must rule, and set about accordingly. People already knew too much of the operations of Big Business and they knew that Big Men were behind Big Business. Then "Win-the-War" societies were arranged and conventions held. The patriotism of the people was appealed to as the most effective means of their own undoing, and the usual double-headed campaign of race and religion in Ontario and Quebec was set going, and got away to a running start. There was not a cloud in the sky of the exploiters—and then the Winnipeg Convention occurred. The Convention was large, it was representative, it was definite, it was determined, it refused to be stampeded either by spurious patriotism or by race or religious prejudice. The exploiters were represented in the convention. Their representatives held a number of key positions but they utterly failed to "put it over." For the first time, western liberal opinion had the opportunity to give united expression to its views, and expression was given with no uncertain sound. Western Liberalism is on record, and it stands:

- For progressive thought and action through the rule of the people.
- For a united Canada and a uniform policy throughout for both Peace and War.
- For Canada's participation in the world war as a matter of honour, right, and duty, to the limit of her ability.
- For honesty, energy and efficiency in prosecution of the war, but without falsely pretending to carry the whole burden of the allied cause.
- For a readjustment of the burdens of taxation in accordance with ability to bear it.
- For relief from the exactions of the food profiteers by tariff readjustment and price control.
- For leadership by the man under whose direction, as the greatest exponent and exemplar of Liberalism in Canada, our country flourished as it never did before and as it certainly has not done since. Other principles have held sway under another leader.

There is every reason to believe that this declaration of principles by the Winnipeg Liberal Convention find favour throughout Canada, and that an election contest in support of these principles and

under the leadership of Sir Wilfrid Laurier must be the finish of the war exploiters and profiteers.

With the end in sight they are making the most of their present opportunities resulting from their control of parliament. First, the Income Tax shifts the burden of taxation from the shoulders of the war profiteer to the man on salary. Second, the food barons, although under farcical investigation, increase their stores, while the people are asked to accept meatless days as a means of winning the war. And third, the C.N.R. deal involving charges of tens, if not hundreds, of millions on the Dominion treasury, is put over while the exploiters are declaring for a "Union" Government for Canada by preaching sectionalism, they are not taking any chances by waiting for such a government to protect their private interests. The exploiter believes in making hay while the sun still shines. The Borden Government is good enough of him until after the elections. To quote from the ballad of "Bill Jones":

"You should 'ear 'im sing,
As he waves the flag;
God save the King
And me hunch o' swag."

BOB ROGERS WHITEWASHING REPORT.

THE Report of the McLeod-Tellier Commission is remarkable from two points of view, first, it completely exonerates the Hon. Robert Rogers and secondly shows what two honourable gentlemen are able to accomplish when put to the test. According to the report of these two judges they worked exactly 41 days from June 11th to June 22nd inclusive and from June 28th to July 26th.

During this period of 41 days they were obliged to prepare their report to the government of 44 pages or approximately 36,000 words, which must have taken some days. They were obliged to read 5,611 pages of evidence, and 12,000 pages of Exhibits which were supplied them. This would mean that they read and carefully digested approximately 500 pages of evidence per day in addition to preparing their report, an almost physical impossibility.

It is now found that these gentlemen made this very valuable report without being supplied any copies of the specifications. They made their report without being supplied with some 2,000 Inspector's reports of the work accomplished each day on the construction of these buildings and also several other documents such as plan receipt books, Contractor's Application for Payment, Maps covering lands upon which buildings were being erected, etc., etc., all of which have remained in Winnipeg and have not been asked for by the McLeod-Tellier Commission.

We ask in all sincerity could any person reasonably apply the evidence without examining the plans. Could any person apply the evidence, as to extras, etc., without perusing the specifications and order book, could anyone secure a correct grasp of the condition of the buildings without examining the Inspector's Daily reports?

To accomplish what these Commissioners did in 41 days is almost superhuman but to make the report with less than one-half of the material and Exhibits before them stamps the report just what it is, a **farce**.

THE TORONTO INTERESTS, THE CANADIAN NORTHERN AND THE CLOSURE.

THE indecent haste which characterized the rushing through the Commons of a bill for the relief of a certain group of financiers in Toronto, as contrasted with the dallying and delaying which characterized the passage of a measure ostensibly designed for the relief of the men in the trenches gives the clearest indication of the fact that the war-winning propensities of the Borden government are tempered by a desire first and foremost to assist their friends, The Big Interests. The Bill for the acquisition of the capital stock of the Canadian Northern made its first appearance in the Commons in the form of the resolution on August 1. It appeared in its various stages fitfully thereafter until August 28, when closure was invoked, for the second time in Canadian Parliamentary history, and on the thirtieth of the month the bill was smashed through under gag rule.

It was on May 18 that Premier Borden announced to the House that **Compulsory Military Service** was **immediately necessary** in Canada in order to provide the necessary reinforcements for the divisions at the front. It was June 11 before the Bill was introduced. On July 24 the bill received third reading in the Commons, and went to the senate. On Aug. 8th the bill passed that house with amendments. It was nine days later that the bill reappeared in the Commons for concurrence in these amendments, and eleven days more were wasted before the royal assent was secured. **From the time Premier Borden announced that compulsory military service was immediately necessary until the day that the compulsory military service bill became law 103 days, or nearly a third of a year passed.**

A Contrast in Solicitud.

From the time that Sir Thomas White announced that it was immediately necessary to provide reinforcements for his financier friends in Toronto, to the day on which he forced the measure for that purpose through a protesting Commons only 29 days elapsed.

The contrast is striking enough to indicate really where the government's heart lies.

As a matter of fact closure in connection with the Canadian Northern Bill cannot be justified by the length of debate permitted by the government. The debate on the second reading of the bill occupied the 14th, 15th, and 16th of August. **Liberal speakers covered 63½ pages of Hansard only, and Conservatives 71½.** Of the latter 10¼ were covered by the Minister of Finance himself. The bill was in committee three days before closure was introduced, the 17th, 23rd, and 27th, progress being prevented largely because the government refused to grant the Liberals vital information which they desired to secure. **During these three days Liberals covered only 50 pages of Hansard, and government members 69½.** On the 28th closure was put into effect. On that day Liberals of course occupied the greater part of the time: Notice of closure was given after one day's debate on the third reading, and after the prime minister had

spoken for over an hour and a half, and the minister of finance also for a considerable period. Next day closure went into effect and **Sir Wilfrid Laurier had to confine himself to twenty minutes** in his views upon this very important measure.

Closure Unprovoked.

During the whole debate Liberals covered 214 pages of Hansard, and Conservatives 119. That closure was absolutely unprovoked is quite evident under the circumstances. And that closure should be applied under such circumstances to the passing of a bill which involves an addition of six hundred million odd dollars to the already enormous debt of the Dominion is something which can only be justified by motives which are evident from a consideration of the measure.

History Interesting.

In 1914 the government put through parliament a bill whereby the Canadian people guaranteed the bonds of the Canadian Northern Railway to the extent of forty-five million dollars. Solicitor General Meighen was the author of the bill. In return for the guarantee the Dominion was to secure forty per cent of the stock of Mackenzie and Mann. And in order to properly safeguard the interests of the people a contract was entered into between the government and the company, and ratified by parliament.

Section 24 of that contract provides as follows:—

"If authorized by the parliament of Canada the Governor in Council may, on such terms and conditions (if any) as parliament may prescribe, at any time while any event of default may exist, and be continuing, by order declare the equity of redemption of the Canadian Northern and of all other persons whomsoever in the mortgaged premises to be foreclosed, and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises, and every part thereof, shall be and become absolutely barred and foreclosed and the same shall thereupon be vested in His Majesty, in right of the Dominion of Canada, any statutory enactment or any rule of law or equity to the contrary notwithstanding."

"A Complete Safeguard."

This clause was interpreted at the time by Sir Herbert Ames, a prominent member of the government as follows: "The government has very carefully looked ahead in regard to what might happen in case of failure or default. Ordinarily it is a very slow process to foreclose a railroad, and for the bond-holders gradually to take possession of the physical assets thereof. **The government in this case, however, has supplied a method of quick procedure whereby the axe drops instantly,**

and whereby there can be no coming back for further assistance. It is definitely stipulated in this understanding what shall constitute any event of default; it is so clearly defined that there can be no possible misunderstanding. Should the Canadian Northern Railway fail to pay interest on the securities which are to be issued in connection with the guarantee which we are now authorizing, or should they fail to carry out any of the conditions contained in the trust deed, as accompanying that guarantee they would commit an event of default. **Should the Canadian Northern or any of the previously guaranteed securities, or hereafter guaranteed securities fail to pay the interest, they would commit an event of default.** If any part of the system goes into the hands of a receiver; if any branch of the whole tree shows any signs of decay, that is an event of default, and in any of these events **the government can drop the axe without delay.** I have heard the agreement described somewhat as a case where a culprit has confessed judgment and has been let out on suspended sentence. Some elements of the agreement certainly can be compared with such a case. **The trial is over."**

The interpretation, which the government accepted on that occasion as a correct one, is plain and easily understood.

Another Ticket of Leave.

However during last session of parliament the company was given another chance to save itself from default through a loan from the Dominion government of fifteen million dollars. It was then intimated that a commission was to be appointed to enquire into the whole railway problem of Canada and to recommend a solution.

From that commission, known as the Drayton-Acworth-Smith Commission and comprising men of ability, and experience a majority and a minority report emanated. In that report a careful estimate is made of the value of the C. N. R. system from the basis of cash investment, from the physical basis, and from the basis of a going concern. The conclusion is as follows:

No Equity in Stock.

"We conclude, therefore, that the shareholders of the company have no equity either on the ground of cash put in, or on the ground of physical reproduction cost, or on the ground of the saleable value of their property as a going concern. If then the people of Canada have already found or assumed responsibility for the bulk of the capital; if they must needs find what further capital is required; and if they must make up for some years to come considerable deficits in net earnings, it seems logically to follow that the people of Canada should assume control of the property."

The commission recommended the transfer to a new body to be called the Dominion Ry. Company, of the Grand Trunk, the Grand Trunk Pacific, and the Canadian Northern, and that the government assume responsibility for the interest on existing securities.

Refused to Take Advice.

The government did not take the advice of its own commission. It tided over the Grand Trunk Pacific for the meantime with a loan of seven and a half millions. It took no action at all in connection with the Grand Trunk. And with regard to the Canadian Northern it brought down legislation in the House which provides for the acquisition of the remaining sixty per cent of the Capital Stock of Mackenzie and Mann at a price to be fixed by arbitration. These comprise 600,000 shares, par value sixty million dollars. One arbitrator, Sir William Meredith, is to be appointed by the government, a second by the owners and pledges of the stock, and a third by the two, or failing agreement by the senior judge of the Exchequer Court.

The company is to retain its identity, but through possession of the stock the railroad is to be the property of the people.

Legislation of 1914 Not Invoked.

Now, according to the interpretation placed upon the contract of 1914 by Sir Herbert Ames, and agreed to by members of the government at that time, in the event of default **"the government could drop the axe without delay"** and the property of the company revert automatically to the crown, and be vested therein. "If at any time," the contract reads, "while any event of default may exist and be continuing, the government in council may by order declare the equity of redemption of the Canadian Northern, and of all other persons whomsoever in the mortgaged premises to be foreclosed."

In introducing his legislation the minister admitted that an event of default existed, in that the company was unable to pay the interest on its underlying indebtedness. **In fact the prime minister later stated that the banks had paid the July interest on assurance from the government that all would be well.** This fact is significant in connection with the transaction.

Some Questions.

Why then, it may be asked, was the legislation of 1914 not resorted to? Why did the axe not fall? Why was not the equity of redemption of the Canadian Northern at once foreclosed? If these questions are answered the motives behind the present measure, and the indecent haste exhibited by the government in ramming it through the House would be explained.

Government Motives.

Under the contract of 1914 the company could plead no equity in the stock in the event of the axe falling. That perhaps is the chief reason why Sir Thomas White did not resort to that legislation in dealing with the question this session. **The insistence of the government in injecting value into the stock is the most significant feature of the whole business.** The Drayton-Acworth Commission, after a careful estimate from all phases,

decl
ever
can
com
miss
fort
cula
dec
acc
the
of a
gove
the
upon
of e
is u

this
piou
own
oppo
befo
so-ca
has
serv
Arth
that
pert
they
trato
then

N
trat
duty
into
"cha
ton-
dict
Bord
the
a va

"I
the
claim
value
impo
ment
the
claim
befor
depar
well
expro
comp
is ab
possil
prope
that

T
case
comp
enter
to eq
garde
quest
to its
"

declared that the shareholders had no equity whatever. That didn't bother Sir Thomas White. He came back with some figures provided him by the company which he declared showed that the commission has inadvertently omitted thirty or forty million dollars worth of assets in their calculations. On account of this omission, he declared the report could not be considered as accurate. This is no new or original attitude for the government to assume toward the findings of a commission, when these findings do not suit the government. The Galt commission findings, and the O'Connor report on cold storage were looked upon with similar suspicion. That a commission of experts should make such an important omission is unthinkable.

In any case, having disposed of the findings of this commission the minister of finance declared piously that it was only fair and reasonable that the owners and the pledges of the stock should have an opportunity of establishing the value of their stock before an independent tribunal. The head of that so-called independent tribunal, Sir William Meredith, has all his life been closely connected with the Conservative party organization of Ontario. Hon. Arthur Meighen, and Premier Borden both declared that it would be highly unjust to confiscate the property of the shareholders without a trial. (In 1914 they had held that the trial was over.) If the arbitrators declared that there was no value in the stock then the country should pay nothing for it.

"Charged" to Find Value.

Nobody expects for a minute that the arbitrators will do anything of the kind. The duty of these arbitrators is to inject a value into the stock. They have been practically "charged" to do so. The findings of the Drayton-Acworth Commission have been contradicted by Sir Thomas White, and Sir Robert Borden himself declared in his last speech on the measure that he believed that there was a value in the stock when he said:

"If the persons who own the equity of redemption in the Canadian Northern and its subsidiary companies claim with any show of reason at all that there is some value in that equity of redemption, it would be absolutely impossible for this government or for any other parliament or any other government having due regard for the public interest to deny to the persons raising that claim the right to be heard as to the merits of their claim before some properly-constituted tribunal. If you depart from a principle of that kind you might just as well bring into parliament a bill which would authorize expropriation of the property of any citizen, or firm, or company in this country without compensation. It is absolutely impossible to do it. It is absolutely impossible to deny the right to be heard to any man whose property is taken, and who makes a reasonable claim that that property has some value."

The prime minister disregarded the fact in this case that "the trial was over" in 1914, and that the company in question by the contract which they then entered into debarred themselves from any claim to equity in the event of default. He also disregarded the fact that in the case of the company in question the people had contributed very largely to its existence.

"Therefore I say," he continued, "under the

act of 1914, if the owners of the equity of redemption were able to show—AS I THINK THEY HAVE SHOWN—that there is some reasonable claim for some value in the property over and above the encumbrances we ought not to deny them the right to be heard."

Prime Minister "Charges."

In the above paragraph the prime minister "charges" the arbitrators that in his opinion the company has shown (despite the report of the Drayton-Acworth commission to the contrary) that there is some equity in the property over and above the encumbrances.

If any further proof were required that the government intends injecting a value into the stock it may be found in the fact that a maximum price is to be fixed above which the award must not go. That such maximum will give a safe margin for the stock-holders to pull out with a very considerable competence granted to them by the people of Canada may be safely conjectured.

The government throughout the debate endeavored to throw a smoke screen over its operations. It endeavored to create the impression that Liberals were opposed to Nationalization of Railways. As a matter of fact the government measure does not provide for nationalization in the popular sense of the word at all. By acquiring possession of the stock of the system Canada is to possess the system, together with all the heavy liabilities connected therewith. But the road is to preserve its "entity," and the bill does not provide that there will necessarily be any change in management.

Probable Amount of Liability.

As to the amount of indebtedness which Canada will assume, E. M. Macdonald of Pictou made the following calculation which was not contradicted:

Bonded indebtedness.....	\$359,931,635.64
Equipment bonds.....	14,846,500.00
Income convertible debenture stock.....	25,000,000.00
Loans and liabilities.....	112,723,035.00
Equipment expenditures.....	40,000,000.00
Additions and betterments.....	30,000,000.00
Interest on equipment bonds.....	645,778.75
Arbitrators' award.....	60,000,000.00
Cost of arbitrators' award.....	100,000.00
Payment of government to recoup banks.....	10,000,000.00

Total.....\$653,246,949.39

What, asked Mr. Macdonald, will be the result of the action of the government in regard to the financial position of the country? It is shown by the following statement:

The Debt of Canada.

Gross debt.....	\$1,542,000,000.00
Capital expenditure:—	
Main estimates.....	21,113,550.00
Supplementary estimates.....	32,180,542.00
Canadian Northern obligations.....	653,243,949.00
Total gross debt.....	\$2,248,538,041.00

The payment of interest on such an enormous sum would give anyone but the present government cause for thought.

A Straight Issue.

Apart from the above the issue in the Commons was never one as between nationalization, or private ownership. The amendment proposed by Hon. George P. Graham, and debated at length in the house was as follows:

"Whereas in the year 1914 this parliament was induced to guarantee the securities of the Canadian Northern Ry. Company for \$45,000,000 on the representation that with that amount the said railway would be completed and operated without further aid from parliament which arrangement is contained in Chapter 20 of 4-5, George V.

"And whereas by Section 24 of the said Act it is enacted as follows:

"If authorized by the Parliament of Canada the Governor in Council may on such terms and conditions (if any) as parliament may prescribe at any time while any event of default shall exist and be continuing by order declare the equity of redemption of the Canadian Northern and of all other persons whomsoever in the mortgaged premises to be foreclosed, and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises and every part thereof shall be and become absolutely debarred and foreclosed, and the same shall thereupon be vested in His Majesty in right of the Dominion of Canada, any statutory enactment or any rule of law or equity to the contrary notwithstanding."

"And whereas the Minister of Finance in introducing this measure stated that the company is unable to pay its underlying interest charges and continue the proper operation of the road;

"And whereas the report of the Commissioners appointed by the present government to investigate and report upon the condition of the Canadian Northern Railway states that there is no value either actual or potential attaching to the capital stock of the Canadian Northern Railway Company: IT IS THEREFORE RESOLVED THAT IN THE OPINION OF THIS HOUSE, PARLIAMENT SHOULD PROCEED TO TAKE OVER THIS RAILWAY FOR THE BENEFIT OF THE PEOPLE OF CANADA UNDER THE SAID PROVISIONS OF THE SAID ACT, AND THAT THE CAPITAL STOCK OF THE SAID CANADIAN NORTHERN RY. CO. SHOULD BE CONSIDERED IN THE SAID FORECLOSURE ORDER AS POSSESSING NO VALUE, AND THAT NOTHING SHOULD BE PAID THEREFOR."

The Liberal amendment it will be seen advocated taking over the railway, but without paying anything for the stock. Nationalization was therefore not an issue.

The C.P.R. "Bogey."

A further bogey put up by the government to divert attention from their motives was the cry that if this bill did not pass, the Canadian Pacific Railway would gobble up the Canadian Northern. Liberals did not urge a receivership, or liquidation. They urged simply that the road be taken over under the legislation of 1914, lock, stock, and barrell. There was no question of another road being allowed to take it over. In fact Baron Shaughnessy in an interview given to the press and appearing in another

page of this publication, declared that any discussion with regard to the acquisition of the Canadian Northern in which the Canadian Pacific representatives engaged was invited by members of the cabinet.

In fact the action of the government in adopting this means of disposing of the Canadian Northern problem, in the face of the existing legislation of 1914, and in face of the declaration of its own commission of experts with regard to the stock can only be explained by a desire on the part of the government to instil into that stock a value which it is declared it does not possess. Sir Thomas White as guardian of the Canadian treasury, and controller of the finances of the Dominion has insisted upon a course of "business" in this matter, which W. T. White as manager of the National Trust Co. would never have considered as a business course to pursue. W. T. White as a private business man would never have bought a trust company, or acquired a controlling interest in a bank by such methods. Hon. Arthur Meighen, Secretary of State for the Dominion has championed a line of action in this matter which he would not have dared to champion if he had been engaged simply in his law business at Portage la Prairie. Sir Robert Borden, as premier of the Dominion, has given his sanction to a transaction, which in his capacity of a shareholder of the Bank of Nova Scotia he would not have dared to approve before his fellow shareholders.

"To put the case frankly" says the Toronto Saturday Night, in commenting upon the deal, "who is Sir Thomas White, and others who engineered this bill through parliament working for? Whose servant is Sir Thomas White? What sort of a financial mess is there back of all this?"

The "Pledges."

The mysterious word "pledges" appears very frequently in the bill which was closed through. The pledges are the men who loaned money to the Canadian Northern, and who ostensibly had the stock pledged to them in security. If the company goes into the hands of a receiver, that stock will have no more value than the assets, and if the liabilities exceed the assets its value will be infinitesimal. If the system were taken over under the legislation of 1914 the equity of redemption not only of the Canadian Northern, but of all other persons whomsoever in the mortgaged premises "any statutory enactment, or any rule of law or equity to the contrary notwithstanding, would be foreclosed." The pledges would have absolutely no rights greater than Mackenzie and Mann, and Mackenzie and Mann in 1914 contracted themselves out of any claim or right should they eventually default.

Under the new bill the pledges are to be permitted to appear before the arbitration tribunal. This tribunal is to establish the value of the stock (which has already been declared to have no value.) And a maximum price is to be fixed beyond which the award must not go. It is safe to assume that after an army of corporation lawyers representing the interlocking interests have finished

submitting their claims the award will not be very much below the maximum at least.

The Gentlemen Interested.

Who are the pledgees? This question was frequently asked by opposition members in the house. Sir Thomas White as frequently declined to give the information. Hon. Arthur Meighen, however, later on inadvertently blurted out the answer: The Canadian Bank of Commerce. Nobody has ever informed parliament however how much was loaned. But why this solicitude of Sir Thomas White for the Canadian Bank of Commerce?

Hon. Chas. Murphy Makes Serious Charge.

The answer may be found in the following record of a portion of a speech by Hon. Charles Murphy, made in the House on August 27 of this year:

"Speaking on this debate on the 16th of the present month I stated that the present proposal grew out of an alliance that was formed in 1911 between 18 gentlemen who came together in Toronto, and who in the assertion of what was their political, and personal right signed a letter defining the position which they thought the country should take in defence of the financial interests which they personally and collectively represented. That alliance and that letter form the basis of this present proposal as I propose showing. Let me recall the names of the gentlemen who signed the letter in question. They may be found on page 4774 of Hansard of this year. They are:

The Noble Eighteen.

"Sir Edmund Walker, John L. Blaikie, W. D. Matthews, W. K. George, Z. A. Lash, W. T. White, George T. Somers, R. S. Gourlay, Sir W. Mortimer Clark, R. J. Christie, Hugh Blain, M. S. Strothy, L. Goldman, G. A. Somerville, Wellington Francis, J. D. Allan, E. R. Wood, and John C. Eaton.

"That group of gentlemen represented particularly the Canadian Northern Railway Company, the Canadian Bank of Commerce, and the National Trust Company, of which at that time my respected and honored friend, the minister of finance was the general manager. After the election of 1911 these eighteen gentlemen used their influence and were successful in having one of their number appointed minister of finance; I refer to the honorable gentleman who now occupies that position. Since 1911 it has been a matter of common knowledge that the three institutions to which I have referred have more than once received favors at the hands of the government. For the purpose of understanding the present position of affairs with reference to these three business and financial institutions, and their connection with the proposal before the House, it is necessary to run over briefly the interlocking directorates of these companies. Of the original 18 gentlemen who signed the letter to which I have referred, Mr. Z. A. Lash, Mr. E. R. Wood, and Mr. W. K. George are directors of the Canadian Northern Ry. Company. These three gentlemen with Mr. W. J. Christie are also

shareholders in the company.

"Then of the original 18, Sir Edmund Walker, Mr. Z. A. Lash, and Mr. E. R. Wood, are directors of the Canadian Bank of Commerce, of which Sir Edmund Walker is president, and Mr. Lash vice-president.

"The Canadian Bank of Commerce, as honorable members are aware, are pledgees of all Mackenzie and Mann's stock for advances which they have made against it. Mr. Lash and Mr. Wood are both directors and vice-presidents of the National Trust Company. The National Trust Company of which the minister of finance was formerly general manager, has acted as a trustee between the Canadian Northern Ry. Company, and the government with reference to certain financial transactions which have taken place during the last six years. So much for the way in which the members of that group of 18 link up the Canadian Northern, the Canadian Bank of Commerce, and the National Trust Company.

Interlocking Directorates.

"That does not by any means exhaust the interlocking combinations that have to be kept in mind in order to properly appreciate the legislation which is now before the House. In addition to those I have mentioned there is our old friend, Sir Joseph Flavelle, chairman of the Munitions Board, who is a director and president of the National Trust Company, and who is also a director of the Canadian Bank of Commerce. Besides that gentleman, we have Sir John Aird, general manager of the Canadian Bank of Commerce, a director of the National Trust Co., and a joint shareholder in trust of \$1,000,000 worth of stock of the Canadian Northern. In parliament we have Sir Edward Kemp, who is a director of the National Trust Co., and Senators Nicholls, and Richardson, who are shareholders of the Canadian Northern. These three latter will be called upon to express their opinion of this legislation. These interlocking directorates, and combinations of financial interests are inimical to the welfare of this country."

What Are Disclosures?

Referring later on to an article appearing in the Montreal Star, which gives support to the govt. and in which disclosures were predicted "with which past disclosures would appear as trivialities," Mr. Murphy urged the minister to ascertain "whether the writer of the article is hinting at the possibility of the Bank Act being contravened, and of advances having been made by the Bank of Commerce, which that bank is not authorized to make under the Bank Act, and if so whether the writer means that this legislation is the method adopted to get that bank out of the difficulty in which such a contravention of the Bank Act would involve it."

Reasons for Indecent Haste.

So much for the motives behind the present

measure. But why the unseemly, and indecent haste practiced by the government in ramming this legislation through the house? Why permit the Conscription measure to dawdle along for over a hundred days, with no hint of closure, when closure is applied to the Canadian Northern measure less than thirty days after introduced? Is the need of the men at the front to be considered less immediate than the need of the financiers of Toronto, and their interlocking combinations?

If this legislation is designed primarily to assist the group of financiers to which reference has been had (and no other explanation of the government's action in the matter is forthcoming) then it is obvious that haste is vital and imperative. Hon. Dr. Pugsley moved an amendment late in the debate calling for the approval by parliament of the award

We now include extracts from speeches delivered by ex-ministers and liberal members of Parliament.

THE RIGHT HON. SIR WILFRID LAURIER.

C. N. R. Loans.

Sir, let me tell the whole story, because the story as presented by hon. gentlemen opposite has been only partly told. In 1914, I need not remind the House, the Canadian Northern was practically insolvent; at all events, it could not meet its liabilities or pay its fixed charges, and under such conditions, it was, by law, insolvent. It came to this House for assistance, and the question arose how Parliament should deal with it. Three courses were open to us then as now. The company might go into liquidation, it might be temporarily assisted, or the Government might take it over. We did not then, any more than we do now, favour this company going into liquidation, and in this respect our policy is different from that of the United States where many companies that have been in difficulties similar to those of the Canadian Northern have been allowed to go into liquidation. If I had more time at my disposal I should like to speak for a few moments on the difference in policy between the United States and ourselves in that regard, but I pass on. The Government decided at that time that we should assist the company. It was represented to us that if we advanced the sum of \$45,000,000, that amount would enable the company to settle all their claims, meet all their liabilities, and complete the enterprise and make it a going and prosperous concern. The Government took every possible mortgage they could upon the assets of the company, and it is well in this connection for me to recite the Act to show the extent of the mortgage that was taken by the Government at that time securing the advance of \$45,000,000, and the methods provided for the collection of it. First of all, let me say that the stock was increased from \$77,000,000 to \$100,000,000, by a stroke of the legislative pen, to use the graphic phrase of my hon. friend from Calgary the other day. The Government took \$40,000,000 of the stock, and a mortgage upon the balance and the company bound itself to grant "a first, fixed and specific mortgage or charge upon the shares" of the company. It also undertook to

(b) grant a specific mortgage or charge upon the mortgage securities and shares of stock now or from time to time hereafter deposited with and specifically mortgaged under the Trust Deed of the 30th day of June, 1903.

(c) grant fixed, specific and floating mortgages or charges upon the undertaking of the Canadian Northern and its properties, assets, rents and revenues, and its rights, powers and franchises present and future.

Nothing was omitted. Everything that the company

of the arbitrators as a condition of the acquirement of the stock. For obvious reasons this amendment was rejected by the government, which has no intention of entrusting the award to the consideration of another parliament in which they may be in the minority. The Bill must be rushed through parliament; the arbitrators appointed; the award made; and last but by no means least, the money paid over while the present government, and the present minister of finance are still in control.

Haste was imperative. The men in the trenches would be safe enough under a new parliament. But a new parliament might not be so eager to provide "reinforcements" for the Toronto group of financiers as the present body, in which the government holds a majority.

had in the way of property was covered by the mortgage. Then it was stipulated, and to this the company agreed, that in the event of default the mortgage would be foreclosed and everything would be lost by the company, even their equity of redemption. So far we made no opposition to the proposition made at that time by the Government. We agreed that we should take a complete mortgage upon everything that the company had, and that in the event of default the company should lose everything it had mortgaged. That was the covenant; it is there in the law. Nothing could be more ample or more efficient than the mortgage we then took. But that proposition of the government provided one remedy, and one remedy only. It provided for the Government recouping itself for the assistance it had given to the company, in the event of default taking place. But we were not content with that on this side of the House, because no provision was made whereby the Government could take over the road in the event of it proving a going and prosperous concern. The Government provided for our taking over the road in the event of default, in which case the company would lose everything it had, but the Government made no provision whatever for acquiring the property if the company was able to meet its liabilities, and become a going and prosperous concern. That was the difference between the policy of the Government, and our policy.

The Liberal Policy.

My hon. friend from St. John moved an amendment that in the event of the company becoming prosperous we should make provision to acquire, not from an insolvent but from a solvent company, the property of the road for the benefit of the Canadian people. His amendment contained four different provisions. The provisions were that the stock should not be \$100,000,000, but should be reduced to \$30,000,000, that this stock should be placed in the hands of the Receiver General to be held by him in trust for His Majesty for the period of five years; that if during that period of five years the company discharged its liabilities to the Government, made all the interest payments on the money advanced, and carried out all the obligations it undertook under that agreement, then at the end of the five years the stock should be returned to the previous owners, Mackenzie, Mann and Company, Limited. Then came the other provisions to which I now call the attention of the House:

To provide that the Governor in Council shall have the option at any time within such period of five years,—that is, during the time the company was meeting its liabilities, doing a good business, and becoming a prosperous concern.

To provide that the Governor in Council shall have the option at any time within such period of five years to acquire the absolute ownership of the said stock and of the said Canadian Northern Railway system, and of all the constituent and subsidiary companies

me
me
arr
cor
to
\$30
rec

re
bo

th
no
eri
pr
re
st
tr

Th
ment
the
for th
event
ampl
provi
of th
cern

mentioned in the said resolution or proposed agreement, subject to existing encumbrances and to said arrangements regarding the conversion of said income charge convertible debenture stock, for a price to be fixed by arbitration, but not to exceed the sum of \$30,000,000, being the par value of such stock so to be reduced as above provided.

This amendment was voted down. On the third reading of the Bill I moved this amendment embodying the same ideas:

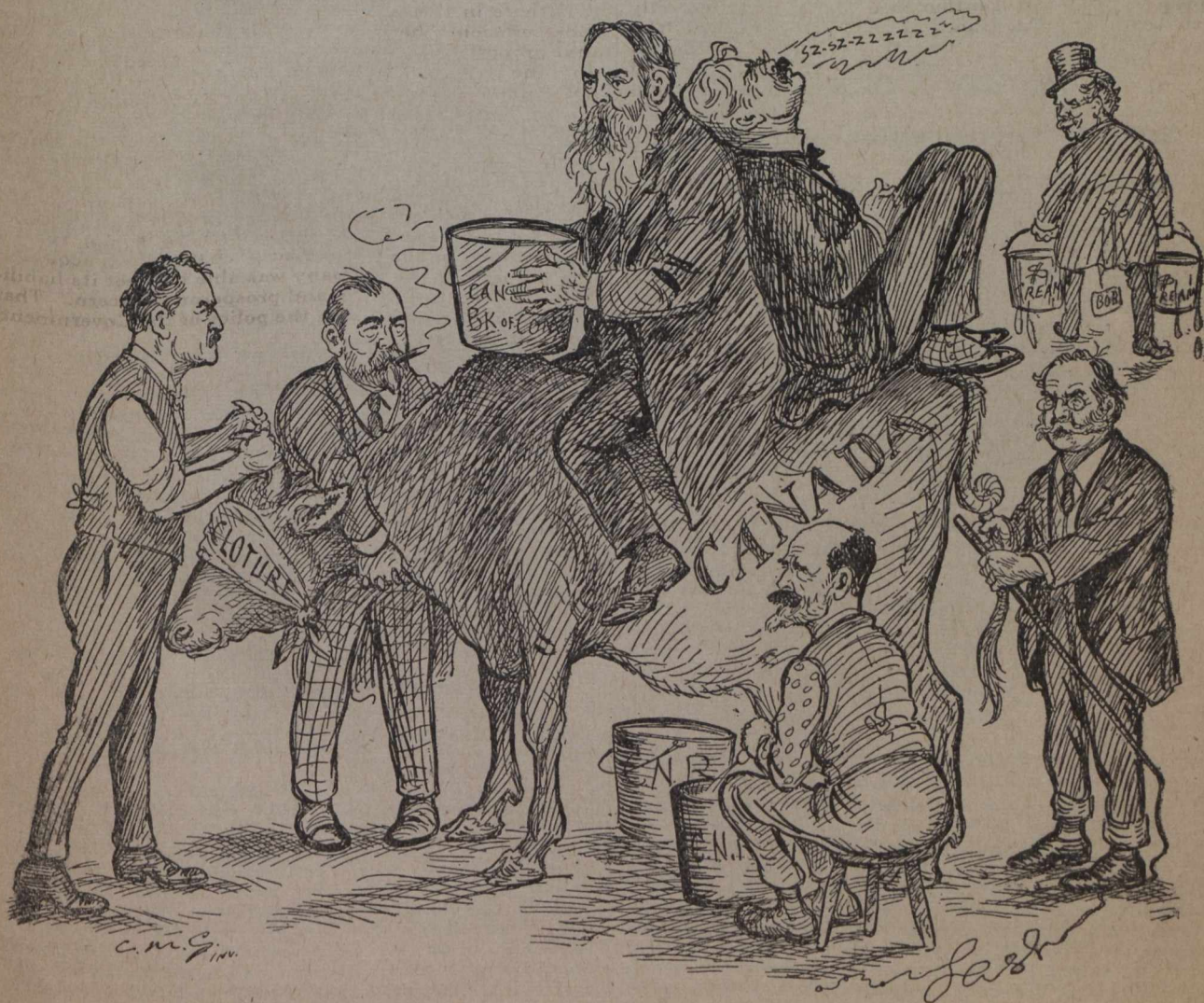
That the said Bill be not now read a third time, but that it be resolved that under existing circumstances no assistance should be given to the Canadian Northern Railway Company unless at the same time it is provided that the Government have power, within a reasonable time, to acquire the ownership of the entire stock of the company at a price to be fixed by arbitration, but not to exceed thirty million dollars.

Those were the two policies—the policy of the Government, and the policy of the Opposition. The policy of the Government provided for one contingency only—for the contingency of default by the company, in which event the provisions for our taking over the road were ample. But we asked the Government to go further and provide for another contingency, namely, that in event of the company becoming a solvent and prosperous concern we should have power to purchase the property.

The Policy of the Government.

The policy of the Government was this: that if the company became insolvent, unable to meet its liabilities, then the Government would take charge of the company and do the best they could with it; but, refusing our proposition, they made a provision that, if the company was solvent, prosperous, doing good business, if it should continue to prosper, the Government would not have the right to acquire it. Our policy on the other hand was this: that we proposed to buy at a sum, not exceeding \$30,000,000, to be fixed by arbitration, the property of a living, growing, prosperous company. Does my hon. friend consider that the position to-day is parallel to that which existed in 1914? Hon. gentlemen opposite say to us: Oh, but you are going back on your own record; you said you would be prepared to pay \$30,000,000 for that property, and now you object because we are doing what you proposed in 1914. Nothing of the kind. You propose to buy the stock of a bankrupt company. We proposed to buy the stock of a living, growing and prosperous company. Are the two things the same. No; there is all the difference in the world. The position of affairs is not as has been presented by the Minister of Finance, or the Solicitor General, or the Prime Minister. Those hon. gentlemen have never stated in any of their utterances that it was not the stock of a bankrupt company that we proposed to buy, but the stock of a living, growing, prosperous company. I think I have shown

MILKING TIME



to the satisfaction of every man who is not biased in this matter, that those hon. gentlemen are doing the Opposition an injustice in presenting the case as they have done.

Government could take Stock.

To-day, however, we are not asked to foreclose; we are asked simply to pass an Act whereby the Government may purchase the stock of the company. The Government have to-day, under the statute passed in 1915, the power to foreclose that mortgage, and to put their hands upon that stock, but they now ask us not to do that to which the company agreed if they made default; they now ask us to purchase the stock of the company. Am I stating the case too strongly when I say that we are asked to purchase stock of a company which to-day is in default, which stock we have a right to take possession of in behalf of the Canadian people? Oh, we are told, but that would be confiscation. As was asked a moment ago by my hon. friend (Mr. Macdonald): Why did not the Government think of that in 1914 when the passed that legislation? What do we confiscate? The other day the Solicitor General made this appeal to me: Are you going to sanction an injustice of this kind; are you going to confiscate the property of any man; you never did that while you were in office. No, I never did that while I was in office, and I do not want to do it to-day. According to the report of the commissioners, we are taking away property which is valued at \$370,000,000, the existing liabilities on which amount to \$400,000,000. That is to say, we are going to pay \$30,000,000 more than the value of the property which we take. Is that confiscation?

HON. GEO. P. GRAHAM.

Government forced action upon C.N.R.

Hon. GEORGE P. GRAHAM (South Renfrew): Three parties seem to be concerned in this proposal: first, the Government of Canada; second, a group of financiers, bondholders and others; and, third, Mackenzie and Mann. From the information so far brought down we have no documentary evidence that the Canadian Northern Railway Company has asked for this legislation; neither have we any documentary evidence that Mackenzie and Mann have asked for aid. On the contrary, the statements presented to the House by the Canadian Northern Railway Company rather indicate that Mackenzie and Mann believe that they could swing this enterprise without legislation. It looks as if the financiers behind the owners, not the owners themselves, have asked the Government to pass this legislation and to take over the enterprise.

It can readily be seen that to the bond holders Government ownership of the Canadian Northern would be much more attractive than private ownership of the system under existing conditions. Should this Bill become an act of Parliament, at once the holders of those securities will find themselves the possessors of a value that they never anticipated and never would have realized had this legislation not been introduced. To them it will be a wonderful and a very profitable piece of financing.

Government enacting Legislation for Interests.

I submit further—and perhaps I may take issue with some of my friends on this—that the arbitration clause in this Bill is not for the benefit of Mackenzie and Mann, but for the benefit primarily of the pledgees to whom Mackenzie and Mann have pledged this stock. Without this legislation that stock would probably have no value for many years to come. The Drayton-Acworth report provides for Mackenzie and Mann as individuals by suggesting that a certain amount of the common stock of the Canadian Northern Railway system may be given

to them. This would be common stock to be issued by the company formed under the recommendation of the commission, but it would be common stock of the Canadian Northern. They suggested that to recompense Mackenzie and Mann as individuals for the work they have performed, a certain amount of this stock might be given them, and while this stock was not at present valuable it was their hope and their belief that in the years to come it would be of some value, and it might serve as a recompense to Mackenzie and Mann as individuals. That, however, would not have suited the occasion, and the pledgees would not have an actually valuable security, consequently, Mackenzie and Mann are an excuse, but the pledgees are the real men behind the guns. I am talking very plainly, because I believe what I say to be the truth. If the Government had desired to give Mackenzie and Mann something as the holders of this stock, they should have done it directly, in a moderate way, or made a suggestion to that effect, and allowed them something for the great work they have performed in the building of this road. But that would not have protected the pledgees, and the common stock those pledgees hold now as collateral for a big loan would have been worthless, and it would be the bankers, not Mackenzie and Mann, who would have to lose.

Canada Accepts All Liabilities.

As a matter of fact, we may becloud it with all the legal technicalities we like, but when this Bill passes, if it does pass, the people of Canada will own the Canadian Northern Railway and will be liable for what the Canadian Northern owes. The Minister of Finance, as a lawyer can weave threads of technicalities around it, but that will not do away with the business fact that we shall own the Canadian Northern, and we shall owe the debts of the Canadian Northern. I wish to call attention to the fact that the closure is in use to-day in order to shorten up this debate because it did not proceed at sufficient length last night. Hon. gentlemen on this side of the House were not responsible for the length of the discussion last night. After warning us that there would be closure to-day, the Prime Minister stepped in and took two hours, nearly the whole of the evening, in discussing this measure. After doing that, he became a party to shutting us off. He took two hours to repeat a speech he made the other day, and said that we should be confined to twenty minutes. And they call that fairness in discussion.

People Hold Members Responsible.

Whom do we represent? We represent the people of Canada. We may sidestep this question as much as we like, and may becloud it with legal technicalities—saying for instance, that we will own the stock but will not own the railway, that we will have the assets but will not be liable for the debts—still we cannot get away from the fact that the people of Canada will hold us responsible for every dollar those arbitrators give for stock which the Government's own commission says is not worth a penny. We cannot escape from that responsibility, either through the Supreme Court or through the Board of Arbitration.

HON. CHARLES MURPHY.

What Canada is assuming

Now, Sir, what is the present proposal? What does the legislation now before this committee mean? It means, first, the assuming of all the liabilities of the Canadian Northern Railway Company, the total amount of which nobody in Parliament apparently knows and which apparently may far exceed \$500,000,000—in fact I think the hon. member for Pictou (Mr. Macdonald) has already shown that they are in excess of \$600,000,000. It means, in the second place, the making of a present of millions of dollars to Mackenzie and Mann for stock which the Drayton-Acworth report says is of no value.

It means, in the third place, the nominal taking over of the road, leaving the control or operation of it still in the hands of Mackenzie and Mann and Walker and Lash. I submit that the people of this country will not be deceived by any such financial or political thimble-rigging. The people of this country demand an altogether different arrangement.

New Directors Needed.

I desire to say that unless my hon. friend the Minister of Finance, speaking for the Government, will give this committee, and through this committee will give this country, assurance that the gentlemen who have been for the last few years in control of that road; the gentlemen who are members of the interlocking directorates to which I have referred are removed, and an entirely new set of directors are appointed, the country will condemn the Government's action in most severe terms.

This country will never be satisfied with any arrangement which continues these men in control, or in the operation of this road. Let the Government continue to have as many practical railway men as they please, but let them get rid of the members of the eighteen who got together in 1911 and who have kept together in such significant fashion ever since.

In conclusion, I submit that the only terms upon which the people of Canada will approve the taking over the Canadian Northern system will be:

1. The payment only of what the Canadian Northern may, upon proper investigation, be proved to be worth.
2. The complete elimination from the management, control and operation of the road of Messrs. Mackenzie and Mann and Messrs. Walker and Lash.

HON. RODOLPHE LEMIEUX.

An Additional Burden to Farmers.

Mr. Speaker, as one representing a constituency, composed of a large majority of farmers, who will be called upon to pay further taxes in order to meet the added liabilities which this transaction brings on the people of Canada, I feel that I cannot let this legislation pass without protesting against it. First of all, I think I should characterize this transaction as a most extraordinary if not indefensible one, and I cannot do otherwise than blame my hon. friend the Minister of Finance (Sir Thomas White) for having introduced this legislation at the close of a long session, and at the end of a long Parliament. This legislation is involving the country in millions, in fact in hundreds of millions, and it is thereby impairing the credit of the country, when the credit of the country is so essential to enable it to face the present crisis.

Was there no Correspondence?

In answer to the inquiry whether they would lay on the table of the House the correspondence exchanged between the Government and the parties who are to profit by this transaction, the right hon. leader of this House (Sir Robert Borden) and the Minister of Finance answered, with a bland smile: "There is no such correspondence." Who in this House or in the country will believe that no correspondence has been exchanged in regard to this matter between the Government and the Canadian Northern Railway Company? You can fool some of the people all of the time; you can fool all of the people some of the time, but you can't fool all of the people all of the time. There is a limit to the credulity of the people. The first documents to be laid on the Table should have been the correspondence exchanged between Mackenzie and Mann—or, if you please, the Canadian Northern Railway Company—and the Government.

Are Tories the only Loyalists?

I appeal to my hon. friends who claim to be the only loyalists in this country, is there not something more pressing than this legislation? Every morning I read

in the press about meetings that are being held from one end of the country to the other, especially in those highly imperialistic centres, Toronto, Winnipeg, Vancouver, and elsewhere, where the Round Table is so predominant. I read about the win-the-war meetings, at which resolutions are being vociferously passed demanding of the Government that a win-the-war cabinet be formed and that a union Government be established in order to carry us through the present dire emergency. I notice that when those meetings are held in Toronto they are generally presided over by the pledgees, financiers and bondholders of the Canadian Northern Railway Company. They are the Warwicks of the present Government; they are the makers and maybe the unmakers of this Administration, and this explains, perhaps, why the Prime Minister, the Minister of Finance, and their majority behind them, are so anxious to obey their dictates.

Patriotism Covers Crimes.

When I see men playing with patriotism, with Imperialism, as the financiers and backers of the Canadian Northern Railway Company are doing, I am reminded of that little episode in the French revolution. When the famous Madame Roland was approaching the scaffold she saw the statue of Liberty, and she exclaimed as she was passing by: "Oh, Liberty, how many crimes are committed in thy name!" I say, Mr. Speaker: Oh, Great War of 1917, Oh, Imperialism, Oh, Patriotism, how many crimes are committed in thy name in Canada! Whilst the financiers, the bondholders and the pledgees of the Canadian Northern Railway Company are agitating the country from the Atlantic to the Pacific, in order, as they say, to win the war, whilst they are thus diverting the attention of the public from the real facts of the case, I regret to say that the press of Canada is unfaithful to its great traditions.

Chloroformed.

No voice is lifted up on the other side of the House to denounce the deal; they are too well chloroformed to speak. This transaction has indeed been well staged at a time when the public is absorbed by matters to which this war has given rise, when the country thinks only of war measures. It reminds me of the saying of that old Tory of Tories, the witty Dr. Johnson, that: "Patriotism is the last refuge of a scoundrel."

Prodigious Expenditure.

Sir, we have a war debt of over \$1,000,000,000, to meet which for the present we have issued war loans. For the first time—and I wish I could say for the only time in the financial history of Canada—we find the Minister of Finance, hat in hand, going to Washington, to ask the American authorities to give him a slice of the Liberty Loan. Canada is paying a usurious rate of six per cent, with our bonds selling at 98. Is not my hon. friend afraid of the financial status of our country? Is he not staggered at the position we occupy to-day on this continent? When the republics of the South can borrow at par; when the Government of the United States is lending money to the warring nations of Europe, which are already restless and who have proportionately much greater loans to carry than Canada; when those loans are being issued at low rates, is the Minister of Finance not afraid of the financial position of our country? Is he not at times affrighted when he thinks of the financial obligations of the future? I will not say that such transactions as those which are being considered by the House at the present time spell bankruptcy, but they bring us very near to the verge of bankruptcy. When the Minister of Finance contemplates adding to our war debt liabilities which he could well ignore to the amount of \$600,000,000, he is living in a fool's paradise. Our war debt is huge. Our expenditures are increasing every day; our taxation bills are becoming more and more exacting; yet the ordinary expenditures are still on the increase.

"The Gag."

First, as to the weapon used in this discussion, namely, closure, I have only this to say, that in ordinary times, in fact at all times, the closure or gag is nothing but a bludgeon to prevent people from expressing their free and untrammelled opinions, but, under present conditions, with a Government represented as it is on the ministerial benches. I am rather pleased to see that they have adopted this procedure in order to prevent the country from being enlightened by gentlemen on this side of the House. I know that the Government is anxious to enforce closure in order to prevent revelations being made. I am glad that the Government has taken this weapon in order to sandbag its political opponents at the present juncture, because the country will be made to listen, and to inquire why this extraordinary procedure has been adopted, when there has been no obstruction within the walls of this House.

Looting and Plundering.

Do hon. gentlemen believe that the cause of war, of which my hon. friend the member for Red Deer is apt to speak every now and then, is well served by this Government catering to the desires and wants of Messrs. Mackenzie and Mann? I say that at all times this sentiment is, at best, a sorry substitute for sound finance, and the "w-n-the-war" cry raised in this connection will not succeed, because it is only a sham to cover an act of piracy. My hon. friend from Pictou (Mr. Macdonald) said the other day: But with whom are you dealing? I thought it was a very naive question—with whom is this Government dealing at the present juncture? They are dealing with a coterie of knights, most of them millionaires, but willing—anxious, indeed—to add to their millions, some of them banded together to deliberately loot and plunder the Canadian treasury.

Blood for Plums and Money.

We have reversed the position nowadays, the people are contributing their blood to the cause of war, but the plumed knights are getting the plums and the money and some of them are giving us their prayers. When we think that more than \$600,000,000 is added to the public debt, and my hon. friend who is responsible for that measure refuses to discuss in public in his own city the whys and wherefores of this legislation.

"Stop Thief"

In the name of Canada, of my province, and of my electors, I protest against this iniquitous legislation, and when I see Sir Clifford Sifton directing from the Chateau Laurier with Sir Wm. Mackenzie the affairs of the Government, I say the time has come to cry: "Stop thief! Stop thief!"

The Arbitrators.

You have appointed Chief Justice Sir William Meredith; Mr. Lash will be appointed; both of them will appoint a third. I am not saying anything against the integrity or the honour of the Chief Justice of the province of Ontario. I know that he is honourable, I know that he is a great jurist, but the people of this country will have no faith in the award of that tribunal. Let my hon. friend address himself to the Exchequer Court of Canada, and go before Sir Walter Cassels. He knows he is an honourable and honest judge and that by the very nature of his functions he is conversant with such questions as these. He knows, further, that Sir Walter Cassels has protected the taxpayers of this country within the last month when the Quebec and Saguenay deal was being argued before him. I have the judgment in that case in my hand. It shows that, although the counsel appointed by the Government recommended the payment of nearly \$2,000,000 out of the public treasury to the Quebec and Saguenay,

and the Quebec and Montmorency, the judge of the Exchequer Court, faithful to his mandate and to the people of Canada, refused to be bound by the dictum of the counsel appointed by this Government. In one instance he said:

Now it is admitted that these two items of \$500,000 referred to in schedule (A), and also the item of \$794,869.58 floating liability comprise part of this item of \$2,038,149.40. Crown counsel in their statement were of the opinion that these two items of \$500,000 and \$794,869.58 should be taken as the cost up to that date, namely July 1, 1898. I do not agree with that contention.

And he cuts off the two items, amounting to about \$1,200,000. That is the judge I want to see as the Supreme Arbitrator in the present instance—a man who has the courage to say to the Crown Counsel: "You have allocated too much to the claimants, and I, as protector of the public treasury, and faithful to the trust imposed in me, refuse to allocate these two amounts."

HON. FRANK OLIVER.

National Debt Increased.

We are here not by the mandate of the people but by our own decision under pretense that world-war conditions, in which war Canada was taking part, were of such character and of such gravity as did not permit that intervention of the people of Canada in the management of their own affairs that is provided by the constitution. Under these circumstances after the war has been in progress for three years, when no man can tell how much longer it will run nor what the result will be; after the debt of Canada has been increased to \$1,250,000,000, of which \$750,000,000 is war debt, this Parliament of Canada is asked to consider and to assent to a proposition that, in one week's debate of this dead Parliament, we shall add to the debt of Canada within measurable distance of what has been added to that debt by the three years of war in which we have been engaged. It is true that we are to have assets in respect of those liabilities amounting to \$650,000,000 which we shall assume, and if the assets that we assume, as a previous speaker has said, will earn the fixed charges upon them, then there is no addition to our net debt. But does any one suppose that the administration of 9,500 miles of railroad under this Government, judged by the results of its administration of the Intercolonial and of the Transcontinental, will result in earning interest on that vast sum of money? It would be absurd to have such a wild imagination.

Credit Impaired.

If we are to take effective part in this war, we must have credit and we must have money, and if we destroy our credit by assuming non-productive liabilities of such a stupendous amount, where and how are we to get the money that will enable us to take that part in the war that it is our duty to take? It has been said already during this debate that Canada's credit has reached a point at which she can borrow only on short terms and at an abnormally high rate of interest. A few weeks ago we borrowed \$100,000,000 in New York for only two years, and we are paying what amounts to 8 per cent for that money. That was before we entered upon this undertaking to assume ownership of the Canadian Northern Railway, to assume the obligations which the Canadian Northern Railway Company has undertaken to assume the responsibilities of management of 9,500 miles of railway, when we have proved before the world during half a century that we cannot manage 1,000 miles of railway and make it pay.

A Dishonest Transaction.

I have already said, in the course of the discussion on this Bill, that it does not bear the marks of an honest transaction. If this Government intended to deal hon-

estly by the people of Canada, they would not come to Parliament with a proposal that we should arbitrate upon the question of whether that which was valued at nothing at all was or was not worth \$60,000,000.

They would have made their arrangements, whatever they might be, before they came to Parliament, and they would be able to say that by the payment of a certain amount of money we would achieve the ownership it was desired we should achieve. That would have been honest, that would have been fair. Such a proposal as they bring to-day is not honest and it is not fair. It is an attempt to humbug, to mislead, to rob the people of Canada under pretence of legal authority.

We must have money to support our soldiers.

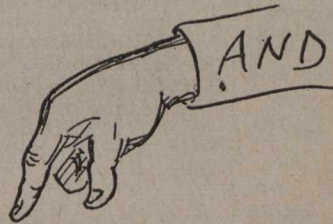
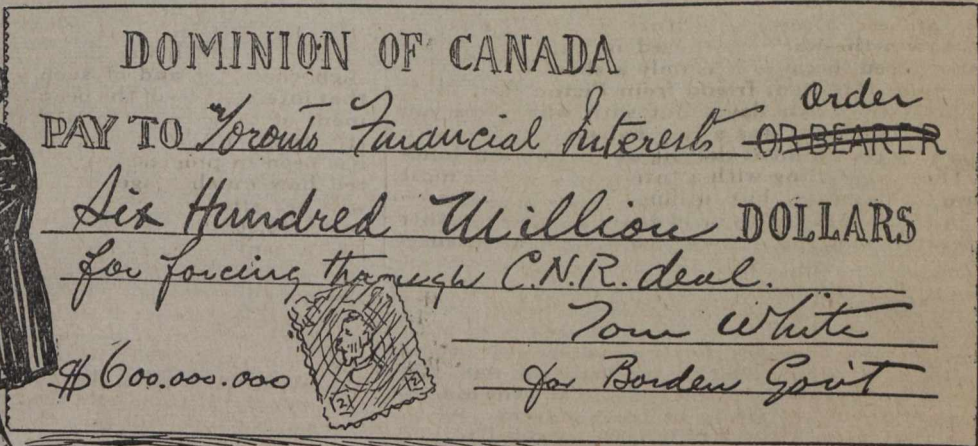
We are being called upon to send our men—the casualty lists in this evening's paper cover a page—and we are expected to back up those men with more men. And what are we going to do in regard to money if we have spent our money for that which has no value, if we have burdened our credit so we have no more credit? I ask you, what is our position going to be? It was said in the House the other day that munition-making was being

shut down in Canada because the Canadian Government was unable to finance the making of munitions in Canada. It was said that the purchase of bacon in Canada for British supplies had ceased for the same reason. Because the United States was able to continue to finance the making of munitions, and the purchase of bacon—munition making and the purchase of bacon are continuing in the States, while both were being shut down in Canada. Is this a matter for light consideration? Is it a light thing that we should see our industries shut down and the products of our farms left on our shelves, or going to the Allies through the medium of our neighbours, because our Government has seen fit to destroy our credit and to spend our money in this enterprise they are undertaking at the present time?

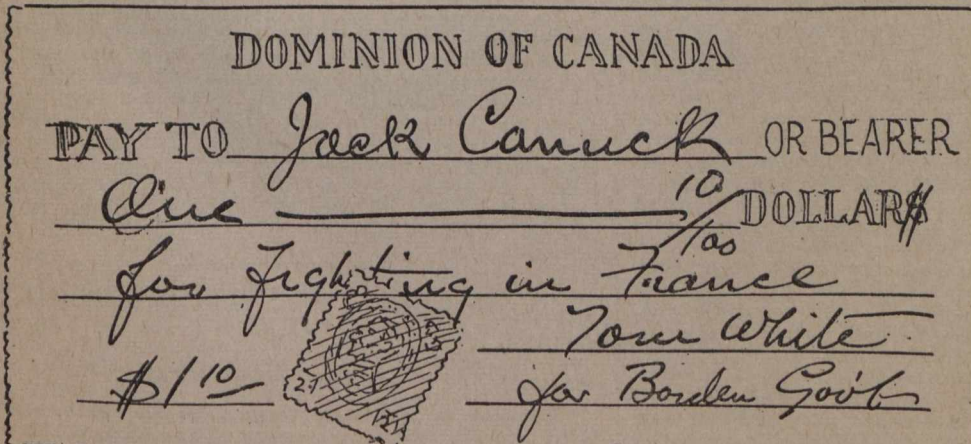
Masses pay while the Canadian Bank of Commerce fattens.

It appears the Canadian Bank of Commerce has advanced money, the Government refuses to say how much. This amount was advanced on security of this stock,

THE STORY "IN TWO CHEQUES"



AND



C.M.S. inv



which the Drayton-Acworth report says is worth nothing, and which every man knows is worth nothing. The Canadian Bank of Commerce has seen fit to make advances of untold amounts on security that has no value. On what ground did the Canadian Bank of Commerce make those advances? On the ground that they had sufficient influence with the Government of Canada that the Government, acting as their servant, would come to Parliament and put through legislation that would protect them in having paid out money contrary to the terms of the Bank Act, contrary to good finance, and contrary to every rule that should govern business in this country. This is an Act for the relief of the Bank of Commerce, a member of the financial grip in city of Toronto, which directs the policy of this Government and which has a strangle-hold on the business of this country. That is the reason this legislation is going through. It is not because of the Canadian Northern Railway, or the devotion of the Prime Minister and the Minister of Finance to the principles of government ownership; it is for the salvation and the help of Big Business in the city of Toronto, that the people's millions are to be poured into the coffers of the Canadian Bank of Commerce on the judgment of an arbitration that should never sit. We have millions to hand to the Bank of Commerce to save them from the consequences of acts which were never justified and which could not be justified; at the same time the wives and children of our soldiers at the front are depending on the passing of the hat for charity to keep them in comfort or decency—there is no recognition of the increased cost of living in the case of the dependents of our soldiers.

Soldiers can wait, Capitalists must be paid.

We have not the money to spend; we have not the money in the treasury, and we cannot afford to spend it to maintain those dependents in the manner in which they should be maintained, but we have millions, and we do not put a limit on the millions, that we can pour into the coffers of the Bank of Commerce. Our disabled soldiers who come back from the front are not receiving the consideration to which they are entitled at the hands of this country, which they have served and for which they have suffered. The Government is convinced of this; the Prime Minister has told the House and the country that it is a fact. But the soldiers can wait; the Bank of Commerce cannot wait. The soldiers will get consideration when the next Parliament meets, but the Bank of Commerce must get consideration now.

HON. WILLIAM PUGSLEY.

Brute Force.

My hon. friend the Minister of Finance, has asked the majority of this House to shut off discussion and has thereby, by brute force, prevented a large number of members of this House, who are here representing the people of this country and who are desirous of letting the people of Canada know why they were opposed to this most objectionable measure. The Minister of Finance and the Government may think and the majority of this House may think that by shutting off discussion and making use of the closure to throttle the members of this House, they will appeal to the good judgment of the people of this country. But let me tell them that their course will not appeal to the judgment of the people. The people of Canada want to know more about this deal. They want to hear more on the question and they want to be informed more fully than they have yet been informed as to the reason why this Government has departed from the statutory agreement which was made in 1914, an agreement which was binding upon this House, binding upon this Government, and equally binding upon Mackenzie and Mann and the Canadian Northern Company. They want to know why this Government, having in 1914 pledged the credit of this country to the enormous sum of \$45,000,000 upon the faith of a solemn agreement which the Canadian Nor-

thern Railway Company entered into and Mackenzie and Mann entered into and which was embodied in the statute of 1914 and under the provisions of which they accepted of that aid, the people want to know why the Government is deliberately letting Mackenzie and Mann free from the obligations of that agreement and is proposing to involve the people of Canada in a liability which may reach the enormous sum of \$60,000,000 in addition to \$500,000,000 and more of obligations which the country will be called upon to assume in connection with the purchase of this road.

Government pay high rate of interest.

Let me ask a question which I asked the other day, when I had the opportunity of speaking before the committee on this Bill. Does my hon. friend think, that as Minister of Finance of this country, he ought to consent to the carrying through of this measure at the present time? Does he think he ought to do so? He knows what it involves. He knows the possibility of the enormous liability which may be brought upon the people of this country. He knows that to-day he is paying for the last loan which he obtained for the people of Canada in the vicinity of eight per cent. Think of it., Mr. Chairman. The Government of a country so prosperous as Canada, possessing the enormous resources which this country has, is obliged to-day to go into the money markets of the world and pay the enormous sum of eight per cent for the money which it requires to carry on the services of the country. The last loan, which was for the short period of two years, netted according to the statement of my hon friend, less than \$96,000,000. The information that I have is that it netted less than that. But if you put it at \$96,000,000, there is a loss of \$4,000,000 which has to be paid at the end of two years, and adding that to the six per cent interest which the bonds bear, we get the enormous rate of almost eight per cent for the money which the Government has borrowed through the arrangement with the Morgan and Company, of New York.

D. D. MCKENZIE, M. P. FOR VICTORIA NORTH
C.B.

Drayton-Acworth says stock no value.

After due consideration and investigation, that commission brought in a report in which they put certain values on the physical assets of this road, such as rolling stock, terminals, rails, etc. But these three men, representing the wisdom of three countries, say: Whatever the value of the physical assets, the \$60,000,000 of stock has absolutely no value and is worth nothing.

Incurs a liability of \$77.50 for every man,
woman and child.

We were dealing with a question involving, according to the figures of those who looked it up, \$620,000,000. To the ordinary man that is a very large amount. The ordinary man that we have to deal with among our electors finds \$620,000,000 a little larger amount than he can really comprehend, but when you come to define it, and say that \$620,000,000 means \$77.50 for every man, woman and child in the Dominion of Canada, and that it means \$387.50 for every family of five in this country, putting our population at 8,000,000 people, he may realize what it means.

T. N. McCREA, M. P. FOR SHERBROOKE,
QUE.

Like School Boys.

A question involving some \$620,000,000 appears to be treated by the Government about as I, when a boy at school would trade jack knives with a companion.

They do not seem to think it is serious enough to give the people the necessary information. Local and federal governments combined, representing the people of Canada, have contributed to the construction of this road, and what the obligations are that we are now supposed to assume in addition to the money already advanced is something that it would be interesting to know.

Not a Business Transaction.

If a banker had loaned to a man or a combination of men all the money the banker was justified in letting them have, and if the banker then found that the assets of that man or company were not worth the money already advanced, would the bank undertake to pay the stockholders for their common stock, practically all water, and, furthermore, would they undertake to pay the outstanding liabilities of the borrower? No banker would act in that way. Yet, that is just what the Government are doing.

To arbitrate means value.

The very fact of the Government consenting to arbitrate for that stock is an admission that it has a value. They invite a value in the face of a report made by competent men who say there is no value. The Government say: We shall arbitrate and find out. The moment you admit that you will arbitrate, you admit there is a value.

Government legislating for friends.

I do not understand how this Government are going to get away from the legislation passed in 1914, which appears to be plain and explicit. The terms specify just what is to be done in case of default, which has now taken place. I cannot see any reason for the legislation in the interest of the people of Canada, and that is what we are supposed to be here for—the Government is not supposed to be legislating for personal ends or for their friends.

More Information Necessary.

I think it would hasten the passage of this Bill if we adjourned the debate and proceeded with some other business until we get the necessary information. I have never been disposed to delay the proceedings of this House, but I certainly am not disposed to allowing this legislation to go through, if I can help it, until we are given full information, and I trust that members on both sides of the House who are interested in the welfare of the country will support me in that suggestion. It will be a bad enough bargain when we have all the facts before us, but in a matter of this magnitude, involving the expenditure of \$600,000,000 we should at least know how bad a bargain we are making, and should not pass this legislation in any light or hasty manner.

E. M. MACDONALD, M.P. FOR PICTOU, N.S.

Sir Wm. Meredith as an arbitrator.

With all due deference to Sir William Meredith, those of us who have come from other provinces can speak rather freely in regard to him. In view of the statement made by a minister of the Crown in regard to judges sitting upon commissions, we should not forget that Sir William Meredith has been engaged in all kinds of commissions. Moreover, he seems to be the favoured associate of the Ontario Government, as well as of this Administration. Nor do we forget that during the sitting of a certain commission last year, Sir William Meredith took one course with regard to compensation and the other judge took another. Although my hon. friend puts Sir William Meredith on a parity with Judge Cassels, in the estimation of the Bar of this country they are not on a parity. The one is a man whose daily occupation has been that of determining the fair valuation

of property of all kinds; the other is not. If any criticism is to be made in regard to the employment of judges upon commissions, that criticism can be directed with the greatest possible force against the gentleman whom my hon. friend puts forward as being, par excellence, the one who should deal with this matter.

Government Decline to Give Information.

I have seen properties in which men have invested deliberately taken away, legislation passed in this House which was confiscation beyond all question, and when the Government pledged itself three years ago that it had the right to confiscate and could use that right and it would not cost the Canadian people five cents to get all the equity in this road, why should we have all these paltry excuses put forward to-day as reasons why they cannot confiscate when they have a right to? Then we hear that the Government had all the information necessary, that it had Mr. Bell's audit of the Canadian Northern accounts, that it had reports by Auditor Bell and reports of the Drayton-Acworth Commission and the report of Mr. Loomis. Why did not the members of this House have that information? Of what use is it to this Parliament, or to the people, if the Government have information which they decline to give out so that we may form a judgment?

W. M. GERMAN, M.P., WELLAND, ONT.

Public Money Built Road.

But Mackenzie and Mann have financed the road altogether on public money. Not one dollar of their own money has gone into the road, and what is more, Mackenzie and Mann were the contractors who built the road for the company at their own price. Mackenzie and Mann gave the contract for building the road to themselves at their own price; there was no competition whatever, and they then sublet the work to other contractors, undoubtedly at a figure which would yield them a profit on the work. I, for one, do not believe that Mackenzie and Mann during all these years have not made money for themselves out of this gigantic enterprise. It is absolutely unbelievable. I cannot believe it myself, nor do I think any man in this country will believe it. Mackenzie and Mann themselves have never taken the trouble to deny it.

Does Bank of Commerce Hold the Stock.

If the Canadian Bank of Commerce holds, as it is stated they do, \$51,000,000 of that stock in pledge, they took shares with full knowledge of what the Act of 1914 contained, and with full knowledge that the Government had the right, on default, to take over the whole property without paying Mackenzie and Mann one penny for it. That being so, why is an agreement necessary for the purchase of the shares? I submit it is no such thing, and the Minister of Finance is deliberately evading the question when he makes that condition.

G. W. KYTE, M.P., RICHMOND, N.S.

"The Gag" makes a dark chapter.

It will be a dark chapter in the history of this Parliament that will record the incidents of to-night. Vastly the most important piece of legislation of a civil character that has come before Parliament in many years is attempted to be disposed of in a manner that must impress the people of this country with the fact that the Government which is in control at the present time are seeking to shut off as much as possible public discussion of this important measure. During the present session of Parliament we have witnessed a lobby such as was never

before known perhaps in the history of the Dominion.

Bonuses, Land Grants, and Securities for Loan to C. N. R.

It will perhaps be interesting to the House to know just the amount of money which Mackenzie and Mann or the Canadian Northern Railway Company have obtained from the people of Canada up to the present time. As regards bonuses, land grants and securities for loans, I have the following statement which I desire to place upon Hansard. The province of Ontario guaranteed to this corporation 2,000,000 acres of land; it gave it \$1,825,000 in cash, and guarantees amounting to \$7,860,000. The province of Quebec gave in cash \$3,526,000. The province of Manitoba gave in cash \$641,000, and guarantees amounting to \$24,408,000. The province of Saskatchewan gave \$8,258,000 in guarantees. The province of Alberta gave \$8,719,000 in guarantees. The province of British Columbia gave \$33,175,000 in guarantees. The Dominion Government gave 4,000,000 acres of land; \$28,354,000 in cash, and guarantees amounting to \$104,746,000. That was up to the year 1914. In 1914, the present Government gave to the system \$45,000,000, and in 1916, \$15,000,000. The cash payments to Mackenzie and Mann, therefore, amount to \$94,346,000. Placing the land grants the company received from the Ontario and Dominion Governments at the very moderate price of \$3 per acre, we have the sum of \$18,000,000. In addition to that there is the sum of \$70,000,000 of cash subsidies paid to this concern by the various municipalities throughout the country. That makes a total, in cash and land, of \$182,346,000, and the guarantees total \$187,166,000, making a total altogether in cash, land and guarantees, of \$369,512,000.

J. H. SINCLAIR, M.P., FOR GUYSBORO, N.S.

Canada has paid enough.

If these arbitrators decide that the stock is worth \$60,000,000, then the people of Canada must shovel out \$60,000,000 to Mackenzie and Mann, and the hon. gentleman from Red Deer tells us that the people are not in favour of doing that. I place myself on record as opposed to paying anything more to Mackenzie and Mann for this stock. The hon. member referred to the time when the soldiers would come back. He told us they were doing a lot of thinking, and when they came back they would be interested in the financial affairs of Canada. I believe that is true. They will not only have to work for the existence of Canada, but they and their children will have to bear the burden of the public debt. When the soldiers went away there was a public debt of \$350,000,000, roughly speaking; when they come back after this legislation goes through, if it does go through, there will be a debt, independent of the war altogether, of some \$800,000,000, and the soldiers will want to know the names of the men who imposed that debt upon them, and upon the people of Canada, and I do not want them to read my name among those who will be on record as having done that.

W. E. KNOWLES, M.P. FOR MOOSEJAW, SASK.

The "Closure."

Mr. Chairman, this measure is so far-reaching in its consequences that it is a matter for regret that those of us who have not spoken before are by the action of our autocratic Minister of Finance limited to speaking for only twenty minutes. I suppose that quite fifty Liberals have not yet spoken on this Bill, which involves our embarking upon one of the greatest policies Canada has ever entered upon. There has been no unreasonable discussion of the Bill, yet the minister of Finance takes

it upon himself to say that the people's representatives shall be confined to twenty-minute speeches. His only reason must be that he fears open discussion of this measure.

Minister of Finance owes much to Mackenzie and Mann.

I know nothing about the personal affairs of the Minister of Finance, and desire to know nothing about them I am speaking of public matters, and I say it is a public belief in Canada to-day that the Minister of Finance is where he is because of the Mackenzie and Mann influence and the Z. A. Lash influence. I have been credibly informed that it was on the nomination of Sir William Mackenzie and the late Minister of Militia and Defence that the Finance Minister secured his appointment.

The public mind is convinced that the Minister of Finance is where he is because he is a pet of those interests, and the Minister of Finance would better preserve the name which he has reason in many ways to be proud of, if he were the last person to force through Parliament a measure of which Mackenzie and Mann are going to be the beneficiaries. I make the statement in all friendliness and in all manliness.

Government close to Mackenzie and Mann.

I desire to say further, that there is a suspicion throughout Canada that this Government is extremely close to the Mackenzie and Mann people and to the Canadian Northern. That is not a belief of a day's growth, but has been in the public mind for some years. There has been a strong belief in the public mind that in the Minister of Finance the Canadian Northern have a very close friend; I do not say an improper friend. It is also a common belief that in the late Minister of Public Works they have a very close friend; I do not say an improper friend. It is also a common belief that in the late Minister of Militia and Defence, and in the present Minister of Railways and Canals the Canadian Northern have very close friends. In view of the public belief that this is in many ways a Canadian Northern Government, it is unfortunate for the Government that they should force this measure through Parliament without a fair opportunity for discussion being permitted to those who desire to criticise the Bill.

Sir Wm. Meredith.

It is not for me to discuss Sir William Meredith in any personal way. I am in the habit in a humble way of appearing before judges, and I am not going to take advantage of my position in this House to say anything with regard to a judge that is unfair or in any way ungentlemanly or unmanly. But I will say this: that once a man accepts an appointment like this in connection with a transaction that is generally looked upon in Canada as a shady transaction—and Sir William Meredith knows that—he becomes a fair subject of examination and criticism.

P. MICHAUD, M.P., VICTORIA, N.B.

New Brunswick heavily Taxed.

In New Brunswick to-day we are under heavier expenses than any other province of Canada in proportion to our population, and if we are called upon to pay out more money to complete the purchase of this railway I do not know what will become of us. I have heard it alleged that some members in this House are personally interested in this measure, and that others are indirectly interested. If that is the case, I am very sorry to hear it. It reminds me of the fact that in England lately the rich people have met, and I believe have decided to make what they call an economy pudding. There are too many

members of this House who have met together and have prepared the economy pudding. I am sorry to hear that, because the people of the country have lost faith in the administration of affairs by this Government.

should certainly advise every man in this country not to support the appointment of a commission which might involve us in a grant of another \$50,000,000 or \$60,000,000 to Mackenzie and Mann.

G. TURGEON, M.P. FOR GLOUCESTER, N.B.

No Gifts to Anyone.

The people of this country are not in a position to make gifts to any company at the present time. I have nothing against Mackenzie and Mann personally. I have never met them, and I do not know them, and I can only judge of them by the knowledge which has been imparted to me by hon. members on the other side of the House, and more particularly by the hon. member for Calgary. If I am to judge of Mackenzie and Mann by what the hon. member for Calgary has told us, I

J. J. HUGHES, M.P., KINGS, P.E.I.

Action of Government gives stock values.

The commission appointed by this Government to inquire into the value of this road and of this common stock reported that the stock was worth nothing. That was the report of Sir Henry Drayton, the chairman of the Railway Board, and Mr. Acworth, an English gentleman of large railway experience and financial knowledge, the best man that the Government could find for this work. Not only did these gentlemen report that this stock was worth nothing, but they also reported that

WAITING FOR THE VERDICT



... n it I it ly t. b at y

the known outstanding liabilities of the railway, which the Government are assuming, amount to some \$68,000,000 over and above the total value of the railway. That report not being satisfactory to the Government, and probably not being satisfactory to the pledgees of this stock, the Government is proceeding to give the stock a value.

E. W. TOBIN, M.P., RICHMOND AND WOLFE, QUE.

Cost to Canada.

I am surprised that the Government does not seem to consider seriously what will be the tax upon the people in respect of this undertaking. This road will cost Canada \$653,246,949.39. That is a considerable tax upon the people of this country.

Widows and Orphans nothing, Millionaires all.

Apparently the Government have no time to attend to the wants of the widows and orphans of the men who have gone to the front to fight our battles; yet they have time to attend to the millionaires. No, Mackenzie and Mann cannot wait. They say: "You cannot afford to put this company into the hands of a receiver." What about the Farmers' Bank. Where was the Minister of Labour in 1910, when he used to weary the House for hours and hours wanting the Government to recoup the stockholders of the Farmers' Bank? Do we hear anything about that from the Government benches now? Hundreds and hundreds of poor people lost their money by the failure of that bank. Their money was stolen from them. What did the Government do? The poor people can wait, but the millionaires cannot wait. The people of this country can well call this Government a government of millionaires.

Bad Legislation.

If you go into the city of Montreal and meet any business men, Conservative or Liberal, they will tell you that this is the most damnable legislation that ever came before this country. Some gentlemen express themselves that way. I would not say that the Government would steal, but people say it is a big steal.

J. A. ROBB, M.P., HUNTINGDON, QUE.

Is there Rebellion in Tory Camp.

And, so we wonder to-night why it is that the Government, having this legislation in charge, have adopted the closure. Is it because they are afraid of their own supporters? Is it because there is rebellion amongst the supporters of the Government who find it hard to swallow this indigestible pill that is being presented to them? The Government supporters may swallow this "high finance" pill, coated with a "win-the-war" covering, but the electors, the taxpayers, the men who will be loaded with this debt, will not swallow the pill so easily.

Preaches Economy Only.

I believe the Minister of Finance is the greatest apostle of economy in this country—as a preacher. In every newspaper you pick up, in every bank you go into, and on all the billboards, you will find lessons in economy from the Minister of Finance—"Buy a War Certificate and help the Government to finance the soldiers." To-morrow the people of this country will ask themselves

after this legislation has been rammed through the House by means of the closure, whether the Minister of Finance wants this money to finance the soldiers or to give greater security to the bondholders of the Canadian Northern Railway; and that will be a reasonable question for them to ask.

Is receivership a good thing.

Mr. C. E. B. Biggar, who seems to be an authority, in a recent publication tells us that in 1910 there were thirty-nine railways in the United States in the hands of receivers; in 1913, forty-nine, and in 1915, eighty-five. In 1915, 23,834 miles of railways in the United States were in the hands of receivers, but giving excellent service to the people, possibly a better service than some of our Canadian railways are giving to-day. I ask hon. gentlemen opposite, were financial conditions in the United States ever better than they are to-day? Was the credit of the United States ever better than to-day? And yet we have eighty-five great railways in the United States in the hands of a receiver.

E. N. NESBITT, M.P., OXFORD NORTH, ONT.

Not Confiscation.

My hon. friend the present Secretary of State (Mr. Meighen) said most explicitly and definitely, in 1914, that under no consideration were the owners of this road to come back for further assistance, and in the event of default they were not to raise the claim that we were confiscating their property. According to the Drayton-Acworth report, and according to Professor Swain's report, and taking over the liabilities of the road we are actually paying more than the road cost. Therefore, nobody can imagine we are confiscating the property.

F. F. PARDEE, M.P., LAMPTON W.

Liabilities Greater Than Assets.

The Secretary of State and the Minister of Finance tell us that it would not be right for the Government to take over the road without paying the company for the equity of redemption. How in Heaven's name they can say that, when their own commissioners have told them that the liabilities against the road are greater than its assets, I do not know. Where is the equity of redemption? There is nothing there to arbitrate about, absolutely nothing.

The whole trend of section 24 leads us to one conclusion, and one conclusion only, and that is that the understanding in 1914 between Mackenzie and Mann and the Government was this: Mackenzie and Mann said: "Give us \$45,000,000. Throw around the advance whatever safeguards you like, we don't care how drastic they may be. This \$45,000,000 will tide us over and put us on our feet. We shall never have to come back to Parliament for assistance again, and consequently we will enter into this hard and fast bargain; that if we do come back to Parliament for assistance you may, willy nilly, take over the road under section 24." That was the understanding when the legislation was passed in 1914.

Closure.

A question involving the assuming of liabilities to the amount of \$600,000,000 will surely stand all the light of day and all the consideration hon. members of this House can give it. This measure, until closure was applied, had been under discussion for about eight days only, and I say eight days is none too much for this House to consider a transaction involving an increase in our national debt to an amount never dreamed of by any person in this country.

A. B. COPP, M.P., WESTMORELAND, N.B.

Whom Does Legislation Assist?

Question after question has been put to the Minister of Finance to find out who is demanding this legislation, and who is to benefit by it, but he has given no good and sufficient reason why this measure should be crystallized into law at this session of Parliament. My hon. friend from Calgary made it quite clear in 1914 that the \$100,000,000 of Canadian Northern stock in the hands of Mackenzie and Mann was absolutely without value; it was nothing but water, he said. Unless some adequate explanation is given by the Government, I say that the people of this country will view with deep-rooted suspicion the appointment of a board of Arbitrators to determine the value of this stock. They will suspect that the Government have been urged to act by some interests behind Mackenzie and Mann, who have money invested in this great enterprise.

F. B. CARVELL, M.P., CARLTON, N.B.

Public Ownership.

If we could stop by paying the same amount of money the matter would not be so bad, but when we become the owners of the road we are confronted with the curse of public ownership. I use a very strong term, but I use it intentionally and advisedly. While the Canadian Northern can get along for another year by paying, say \$20,000,000 of actual debts, the Government of this country, if they become the owners of the stock of the company, cannot get along with paying less than \$40,000,000 or \$50,000,000; I make the prophecy to-night that if this Bill goes through and the Government take over

the Canadian Northern, we shall spend that amount of money during next year.

Sir Wm. Meredith.

I do not want to say anything personal, but I do feel that we are starting out under very, very unfavourable circumstances when we have Sir William Meredith representing the Government. I had six weeks' experience with that gentleman, and while I do not want to refer to him, I can only say he is the last man in Canada I would choose to represent me in an arbitration between the Canadian Northern Railway and the country.

G. E. McCRAVEY, M.P., SASKATOON, SASK.

Public Ownership.

I myself am in favour of government ownership as a general principle. But, in the third year of an unfinished war; when we have yet no idea what our financial undertakings may have to be; when we have a national debt which has run well over one billion dollars; when we have been obliged to pay nearly eight per cent for the last loan on the New York market; and when we have in prospect in taking over the Canadian Northern Railway an expenditure for betterments of over \$80,000,000, I would most strongly advise this Government to have nothing to do with any proposal of government ownership at this time.

Several other members of Parliament spoke on this Canadian Northern Bill but space will not permit us to quote from their speeches.

THE WAR TIME ELECTION ACT.

Shall we be bound by a scrap of paper?

CANADA opened her doors to the world. She sent her agents out into the highways and the by-ways of Europe and invited people to come into this Dominion. Bright was the picture drawn by our agents to induce the people to come. The freedom that is usually secure under the British flag was promised to the new comers. They were invited to take up land and become Canadian citizens. Obedience to our laws, a reasonable term of residence and the taking of the oath of allegiance as British subjects were the only conditions stipulated as qualifications for full citizenship. Let the new comer comply with these conditions and he would receive his certificate of naturalization, which would give him all the rights of a British subject and a citizen of the Canadian Dominion.

He accepted the invitation. He came to Canada, complied with every condition required and for years has been a full-fledged, law-abiding Canadian citizen. There is no charge against him. Suddenly he is to be informed, in a Kaiser-like manner, that his certificate of naturalization—that which he was solemnly assured by our Government was to be the charter of his liberties in Canada—is a mere "scrap of paper" which is entitled to no respect and gives him no protection in the rights that were promised to him

when he came!

It is not a question of loyalty. We have laws to deal with disloyalty. If any man, be he a native-born Canadian or Canadian from abroad, in any way violates our laws, let him be haled before our courts and, on proof of his offence, let him be dealt with as the law provides. But this man of whom we speak has committed no disloyal act. He has fulfilled every duty of citizenship to which he has been called. Yet his highest right of citizenship, his franchise, is to be taken from him if he came into Canada any time during the last fourteen years!

Why is this Canadian citizen to be so deprived of the rights guaranteed to him? There is no mystery about it. The Government plainly says that he is among the citizens who they believe will vote against them! But who cares for the honor of Canada that was pledged to this man? Who regards a solemn certificate of naturalization, received fourteen years ago, and lived up to all this time, as anything more than a scrap of paper? Let us shut our eyes to this exhibition of Kaiserism in Canada, and shout ourselves hoarse about the Kaiser's Government treating the Belgian treaty as a scrap of paper.

—From *Journal of Commerce, Montreal, Sept. 11th, 1917.*

Subscribe for THE LIBERAL MONTHLY, 25 cents a year.

Subscribe for THE LIBERAL WEEKLY \$1.00 a year, three months 25 cents.

Canvassers Wanted—Liberal Commission.

REPORTS ON THE HIGH COST OF LIVING.

MR. W. F. O'Connor, K.C., the High Cost of Living Commissioner has issued three reports, one on May 18th, 1917, on Sugar, another on May 29th, 1917, on Coal, and a third on July 9th, 1917, on "Cold Storage in Canada." The reports on Sugar and Coal caused little or no comment, in fact so little did they contain that was new, that the people of Canada have already almost forgotten them.

Cold Storage in Canada.

The report on Cold Storage was different, it stated that:

"The extent of refrigerated space owned respectively by these different classes indicates the magnitude of their operations. Of a total of over 24,000,000 cubic feet of refrigerated space approximately 12,200,000 is held by the abattoir companies, 2,650,000 by the export houses dealing in dairy produce and eggs, 2,250,000 by the fish companies and 7,200,000 by general cold storage warehouse companies."

Speaking especially in regard to cold storage houses for dairy produce, the report states:

"A few of the cold storage companies, however, have attained such dimensions, and have so centralized the business in certain lines that as respects particular commodities particular companies are able to exercise a practical monopoly, especially of export business."

The report goes on and gives an analysis of business done by ten of the largest cold storage companies in butter, eggs, cheese, beef, fresh pork, Salt pork, bacon, ham and mutton lamb. Of each of the items it states:

Butter.

"Of the 44 million pounds of butter sold through cold storage companies in 1916, 29 millions were held by those ten companies, five and a half million pounds being sold by one company alone and four and a half million by one other company. The great abattoir houses which control the marketing of Canadian meat, sell 22 out of this 44 millions."

Eggs.

"Of the 26 million dozen eggs sold by all the cold storage companies of Canada in 1916, the seven large abattoir companies sold 17½ million dozens. Three companies alone sold approximately 14 million dozen eggs in 1916, or 53 per cent of the total cold storage output. Attention has already been directed to the undue profit of 7.27 cents a dozen on 5,566,505 dozen eggs sold by Company No. IX. (The Wm. Davies Company.)"

Cheese.

"The cheese situation is unique, two companies alone sold over 50 million of the total 72 million pounds sold by all the cold storage companies of Canada in 1916. Forty-nine of this 50 million pounds went for export. Approximately 56 million pounds were sold by all the cold storage companies of Canada for export. These two companies therefore exercise a virtual monopoly of the cold storage export business in cheese. They are both of course Montreal firms."

Beef.

"The centralization of the control of beef in the

hands of a few companies is even more marked than is the centralization of the control of cheese and eggs. Of the 170 million pounds of beef that passed through cold storage last year, 124 million pounds were controlled by the seven largest abattoirs, 99+ million pounds were sold by three companies only and 113 million pounds by four companies only. Over 60 million pounds of the total 189 millions passing through the hands of cold storage companies was sold by branches of American companies."

Fresh Pork and Salt Pork.

"Fresh pork and salt or smoked pork have been separated in the table. The concentration of this meat in the hands of a few companies is almost as striking as in the cases of the other commodities mentioned, the margin of the seven abattoirs for fresh pork being larger than the common average."

Bacon.

"With regard to bacon we find one company selling 97 millions of the total 1916 cold storage sales of 151 million pounds at a margin of 5.05 cents per pound. The margin of the same company the previous year was 3.67 cents on 57½ million pounds. There is no evidence of correspondingly increased storage or other costs. Ninety-four million pounds at least of the sales of 1916 were for export. The margin of 3.67 was sufficient satisfactory and profitable in 1915. Why not in 1916? Company No. V, (The Matthews-Blackwell Co. Ltd.) it will be observed sold 42½ million pounds of bacon. Its margin was 3.56 cents per pound. The margin of its competitors was small. They were, however, feeding the home market. Its need was not so great. This bacon situation is in a class by itself and will stand some explaining. The bacon sales in 1915 were some 29 million pounds. These quantities in the case of both companies were almost entirely for export. Company No. V, sold 29 million pounds at 14.4 cents per pound, a margin of 1.2 cents per pound, while Company No. IX, (The Wm. Davies Company) sold 57½ million pounds in the same year, 1913, at 17.63 cents per pound at a margin of 3.67 cents per pound. The dealings of Company No. V afford the nearest comparative example to the dealings of Company No. IX in any commodity reported that can be cited, but the dealings of Company No. V bear all the marks of average trading. Company number V is much nearer the common margin in 1916 than Company No. IX."

"It will be observed that the sales of bacon of companies V and IX together cover 140,000,000 of the 151,000,000 pounds of bacon which were sold by the cold storage companies of Canada during 1916. The total exports from all Canada according to the computations of the Trades and Commerce Department were for the same year 169,000,000 pounds. Possibly no more striking example of a monopoly of any one commodity can be cited from the trade records of any country supplying the Allies with food."

"The quantity of bacon sold by company No. IX was approximately, in 1913, 85,000 pounds at a margin of 3.63 cents per pound; in 1914, 14,000,000 pounds at a margin of 3.06 cents per pound; in 1915 nearly 60,000,000 pounds at a margin of 3.67 cents per pound, and in 1916 nearly 100,000,000 pounds, at a margin of 5.05 cents per pound."

"The operations of company No. V for the various years are as follows. In 1913 approximately 4,000,000 pounds of bacon were sold at a margin of 2.02 cents per pound. In 1914 more than 9,000,000 pounds were sold at a margin of 1.3 cents per pound. In 1915 nearly 30,000,000 pounds were sold at a margin of 1.2 cents per pound, and in 1916 more than 40,000,000 pounds at a margin of 3.5 cents per pound. More than 53,000,000 pounds were sold by Company No.

IX for export in 1915 and more than 20,000,000 pounds by company No. V, about 5,000,000 were sold by company No. V for export in 1914 and at least 12,000,000 pounds by company No. IX. It is obvious therefore that the basis of a monopoly of this commodity existed before the war."

While Mr. O'Connor's report on Cold Storage contains much valuable information the real story was in regard to bacon. "The cat was out of the bag." The Wm. Davies people of which Sir J. Wesley Flavelle is the head, and the Matthews-Blackwell people were reaping enormous profits.

The revelations regarding such profits astounded Canada. "Nearly 100,000,000 pounds (of bacon) at a margin of 5.05 cents per pound" is what Mr. O'Connor said of Sir Joseph Flavelle's company. One of Canada's leading citizens honored with a baronetcy by his King for "services rendered the Empire," charged with trafficking in the nation's food and accumulating great wealth out of the blood and agony of those who are fighting in the trenches. The story is too horrible to believe.

This gentleman, Sir Joseph Flavelle, is also head of the Imperial Munitions Board, the representative in Canada for His Majesty's Government so far as Munitions are concerned. In this connection we recall some recent speeches delivered by Sir Joseph Flavelle after his return from England. Addressing a meeting of Provincial Canadian Munitions Manufacturers in the Board of Trade, Toronto, Sir Joseph Flavelle stated:

"As I stood in the trenches beside our brave Canadian boys, I said to myself, 'My God, what have I done in return for what these boys are doing for me.'"

and a little later on in his address he added:

"What have we to do with profits in this war, I would like to send profits to the hell where they belong."

Speaking before the Canadian Club in Ottawa, on December 16th, 1916, Sir Joseph Flavelle stated:

"I ask you, gentlemen, I ask you in this Capital city, you who are judges of the Supreme Court, you who are Cabinet ministers, you who hold responsible positions, you business men and others, I ask you, do you mean to play a worthy part—to be worthy of these men?"

"I bring to you, to whatever extent you will permit it, as serious a note as I am capable of indicating, that this great struggle, all the things that are involved in it, all the sacrifices that are being made by your sons and your brothers and your fathers, all that this Empire stands for, all that these people at home are suffering, call upon us to burn up the dross and to pray God that we may be wise and patriotic and truthful and heart-searching in our relations to ourselves, and that we seek above all to be right."

"Gentlemen, may I urge, not as a better man than you are, but in the gravity of a situation where this nation is in the throes of a struggle to the finish, that you will seek to remove everything that is mean, and nasty, and suspicious, and partisan that we may commonly serve."

Speaking before the Canadian Club in Toronto on Dec. 14th, 1916, Mr. Flavelle is reported to have said:

"I ask you, gentlemen, I ask you in your activities, whether it be as voters in the election or employers of labour or living at home, whether you have bank accounts available to take up war loans, or whatever may be your circumstances, I ask you in place of scolding Governments and finding fault with profiteers, to ask yourself what part have I played in the

game worthy of the men who are over yonder?"

The gentleman who spoke these words is the same gentleman that Mr. O'Connor accuses of profiteering out of Government contracts to the extent of nearly \$5,000,000 on bacon alone during the fiscal year of 1916.

The Denial.

The William Davies Company and other packers have denied, as might be expected, that Mr. O'Connor's figures are correct. One packer in making his denial stated that "The Government had no right to make public the confidential and private reports supplied Mr. O'Connor in connection with this investigation." Thereby hangs the tale. There is the strongest possible evidence that most packers have "public" reports and "private and confidential" reports. For instance we would ask the meat packers if at ten o'clock each Monday they do not receive from the Secretary of the Meat Packers Association, or some other person in authority, a phone message telling each and every Meat Packer what prices they are to pay for live animals for that week and also the prices they are to charge for their product? We ask in all sincerity if this is not done?

As stated, the Wm. Davies Company have denied Mr. O'Connor's figures. They have sent broadcast in practically every newspaper in the country a full page advertisement intended to flatly contradict the O'Connor report. This page "of denial" tells what their percentage of profit is, but it does not give the gross profit, a very significant omission.

What are the Profits of the William Davies Company?

Nobody knows. Perhaps the New Commission, of which Mr. G. F. Henderson, K.C., of Ottawa, (J. Wesley Allison's defender before the Meredith-Duff Fuse Commission) is the head may be able to ascertain. We can, however, tell what the profits were from 1893 to 1906.

"Some years ago there was a friendly action-at-law, brought by the executors of the estate of William Davies Company against several interested parties. As a result it was shown that the capital stock of the company was then valued at from three to four hundred dollars per share (par value \$100) and that the dividends over a period of fourteen years, 1893 to 1906 inclusive, ranged from 15 to 120 per cent., the average over the entire period being a little over 50 per cent, which seems enough under the circumstances."

"At this Court trial, a table was placed in evidence, showing the dividends which the stock paid during these fourteen years to be:

For the Year ending March 31st,—	
1893.....	65 per cent.
1894.....	34 per cent.
1895.....	40 per cent.
1896.....	45 per cent.
1897.....	100 per cent.
1898.....	120 per cent.
1899.....	82 per cent.
1900.....	60 per cent.
1901.....	27½ per cent.
1902.....	27½ per cent.
1903.....	15 per cent.
1904.....	30 per cent.
1905.....	41 per cent.
1906.....	25 per cent.

Let Mr. Henderson and his staff of Expert

Accountants complete this list and tell the public what the profits and dividends of the Wm. Davies Company were from 1906 to date.

Food Consumer suffers while Food Purveyors fatten, says Mr. O'Connor.

The following most significant paragraph appears on page 15 of Mr. O'Connor's report:

"The unfortunate domestic consumer, though living in a land of plenty, was thus constituted a competitive buyer as against a starving world whose fields and farms produced not enough or not at all; the export prices reacted upon domestic prices and raised them, notch by notch, until Canadian

foodstuffs for home consumption were selling, as they yet are, at prices ordinarily associated with periods of famine. It is proper that the Canadian consumer's contribution towards the upbuilding of Canada's immense export trade, so rendered, should be recognized. Up to the present the laurels have gone to the purveyors. The food consumer has suffered as a result of war conditions. The food purveyor has not. He has seen to it that he has been well and sufficiently paid. Accordingly, while yielding well-deserved credit to the cold storage companies of Canada for the capable manner in which they have grappled with the problem of supplying the needs of the armies and people of Great Britain and the Allies, it will be well to remember that the performance has been upon strictly business and not upon patriotic lines. The consumer, who alone has suffered for his country in the process, is the patriot."

LORD SHAUGHNESSY SAYS HE REQUIRES "NO ADVICE OR INSPIRATION FROM THAT LITTLE COTERIE OF MEN (OTTAWA) WHO ARE ENGAGED IN FIXING STANDARDS OF PATRIOTISM."

THE following statement from Lord Shaughnessy, in regard to the C. N. R. transaction appeared in many Canadian newspapers on Sept. 4th, and is most significant.

"I wish to deny most emphatically the statement published in a number of newspapers, and evidently inspired, that the Canadian Pacific Railway is offering organized opposition to the Government proposals about the Canadian Northern. Up to the present time no effort of any kind has been made by the Company to influence the vote of a single member of the House of Commons or the Senate upon the measure now before Parliament.

"This reference to the Canadian Pacific is the same old threadbare ruse to which resort has been had on more than one occasion, during the past thirty years when railway schemes of one character or another were being considered by Parliament.

"It is true that the acquisition of the Canadian Northern by the Canadian Pacific was discussed by representatives of the parties concerned but the discussion was at the suggestion of members of the Dominion Cabinet.

"After a time it was evident that no transaction was possible, and negotiations were dropped.

"The fate, or destiny, of the Canadian Northern is not a matter of special moment to our company as a common carrier, but the company having enormous interests in Canada naturally views with apprehension the possibility of the payment of an excessive price for the alleged equity of the holders of the majority stock, and feels that some less speculative and more direct means should have been used to fix the amount than the very uncertain process of arbitration.

"It is to be hoped that if the transaction is carried out the country will not, in consequence, be saddled with heavy liabilities heretofore undisclosed, and that in fixing the amount to be paid under the arbitration proceedings, no consideration whatever shall be given to personal investments in unfortunate ventures such as coal mines, lumber mills, blast furnaces and other works alleged to have been undertaken for the advantage of the Canadian Northern enterprises, but being in fact private speculations of the promoters of the Railway Company.

"The references to my own attitude on conscription are offensive and unwarranted. On this subject and on every other question or work connected with the prosecution of the war I require no advice or inspiration from that little coterie of men who are engaged in fixing standards of patriotism, and whose catechism fails to distinguish between loyalty to the King and loyalty to their particular projects or interests."

NOW THAT "CONSCRIPTION" IS LAW SIR WILFRID LAURIER WISHES "TO SEE THAT IT IS CARRIED OUT AS HARMONIOUSLY AS POSSIBLE."

On Wednesday, August 29th, Sir Robert Borden, in the House of Commons, asked the Right Hon. Sir Wilfrid Laurier as Leader of the Opposition, to nominate 12 of the 24 members which were to compose the Board of Selection, in connection with the Military Service Act.

We quote herewith in full Sir Wilfrid Laurier's reply which will be found on page 5363, Unrevised Hansard of August 29th, 1917:

"The House will not be surprised if I say at once that I find myself in rather a delicate position. It is not in accordance with constitutional usage that a member should assist in any organization in connection with a measure of which he does not approve. The House knows the position I have taken on this Bill. I do not approve of it. At the same time I would say that upon this side of the House, as everybody knows, my opinion is not entertained by all the members of the Opposition. There are members on this side of the House who approve of my policy and there are others who do not approve of it. But the Bill is of such importance that I consider that, whether we approve or do not approve of the measure, it having now become law with the sanction of His Excellency the Governor General, it behooves us all as British subjects to see that it is carried out as harmoniously as possible. Under such circumstances I deem it my duty to accept the invitation of my right hon. friend. It will be my duty to consult on this side of the House both those who approve and those who do not approve of the Bill, and I shall communicate the result to my right hon. friend as soon as possible."

HOW ROSS RIFLES MADE FROM DEFECTIVE PARTS REACHED THE SOLDIERS.

THE Ross Rifle Company of Quebec, on the authority of the Militia Department, Ottawa, made up 500 Ross rifles, which Colonel J. Wesley Allison asked for, from rejected parts, and which he, Col. J. Wesley Allison, sold to the British Admiralty, presumably for our Canadian soldiers.

The Worst Yet.

The most startling information that has been given before the Public Accounts Committee was disclosed at the sittings of the Public Accounts Committee held in May last. The Auditor-General was subpoenaed and asked to give evidence in connection with the sale of some Ross rifles to J. Wesley Allison and in the course of his examination he referred to a communication which he had sent to the British Admiralty notifying them of the purchase of 500 Ross rifles by Colonel J. Wesley Allison, and in the course of his remarks the Auditor-General stated:

"I am informed by the Ross Rifle Company that the rifles (the 500 in question) are mark 3, Home Guard pattern, made up from parts refused by the Government inspectors."

This was not bad enough as we find that a little later on in this letter the Auditor General stated in his letter to the Admiralty:

"You will observe there is a difference of \$6.00 per rifle between the buying and selling price."

Here we have a direct statement by a responsible Government official that these 500 rifles were made up on the authority of the Militia Department, by the Ross Rifle Company of Quebec and composed of parts refused by the Government inspectors and that in this nefarious transaction \$6.00 per rifle went to somebody.

It is known that the rifles were shipped to the Admiralty and it has been stated repeatedly that no Ross rifles have been used in France by other than the Canadian soldiers. The conclusions to this whole matter are not difficult. Somebody arranged for Allison to buy defective rifles, gave him the opportunity of making a rake-off of \$3,000 and provided our Canadian soldiers with defective rifles.

In the course of the Auditor General's examination he was asked the following questions:

"From what official of the Ross Rifle Company did you receive the information that these 500 rifles were made up out of rejected parts?"

and the Auditor replied:

"From the Secretary of the Company."

"Q. Who is that?"

"A. I cannot recall the name now, but I had it afterwards from Sir Charles Ross, himself."

The Chairman then asked the Auditor-General:

Q. "Who paid for these rifles?"

A. "The Admiralty."

Q. "That is the British Government?"

A. "Yes."

"UNBOUNDED CONFIDENCE"

in Hon. Robert Rogers, says Seventy Conservative Members.

THE following testimonial signed by Seventy Conservative Members of Parliament was presented to the Hon. Robert Rogers on July 27th, 1917:

"To the Honourable Robert Rogers, Minister of Public Works, Ottawa, Ont:

"We, the undersigned members of the House of Commons of Canada, have learned that the base attack made against your character as a public man has been, by the Honorable Ezekiel McLeod and the Honourable Mr. Justice Tellier, the Royal Commission appointed to investigate, found to be without foundation of any kind whatever, and that the said judges have unanimously exonerated you in every particular from the un-supportable charges made against you by Mr. Justice Galt.

"We beg to assure you that the result was anticipated as from even a casual reading of the charges made against you by Mr. Justice Galt, whose venom and malice were so plainly visible, we had long been convinced that there was nothing on which to base his splenetic utterances, except feelings of resentment at your manly and outspoken expressions reflecting upon him as a judge accepting public money contrary to the statutes in that behalf.

"Your colleagues in the House of Commons congratulate you upon the result of the investigation, and desire to avail themselves of this occasion to express their unbounded confidence in you as a representative of the people unafraid to speak the thing you will when the public interests demand it. Please let us offer you our best wishes and kindest thoughts at the same time hoping that you may be long spared to work for the welfare of the constituency you represent, and for the benefit of the people at large.

"Dated at Ottawa, this twenty-seventh day of July, 1917."

The following is the list as published who signed the testimonial:

- | | |
|--|------------------------------------|
| W. H. Bennett, E. Simcoe | E. N. Lewis, W. Huron |
| J. A. Best, Dufferin | A. C. Macdonell, S. Toronto |
| J. Bowman, E. Huron | W. S. Middlebro, Grey |
| A. C. Boyce, W. Algoma | H. B. Morphy, N. Perth |
| J. Arthurs, Parry Sound | J. Morris, Chateauguay |
| R. J. Ball, S. Grey | A. Morrison, Macdonald |
| J. A. M. Armstrong, N. York | J. H. Rainville, Chambly-Verchères |
| J. E. Armstrong, E. Lambton | F. L. Schaffner, Souris |
| G. H. Bradbury, Selkirk | J. A. Sexsmith, E. Peterborough |
| W. J. Paul, Lennox & Addington | F. H. Sheppard, Nanaimo |
| W. B. Northrup, E. Hastings | W. Smith, South Ontario |
| C. A. Munson, W. Northumberland | M. Steele, South Perth |
| J. J. Carrick, Thunder Bay & Rainy River | J. T. Stewart, Hamilton |
| H. Clark, N. Bruce | D. Stewart, Lunenburg |
| W. A. Clarke, N. Wellington | D. Sutherland, Oxford |
| F. R. Cromwell, Compton | J. D. Taylor, New Westminster |
| J. A. Currie, N. Simcoe | W. Thoburn, North Lanark |
| S. J. Donaldson, Prince Albert | A. Thompson, Yukon |
| S. F. Glass, E. Middlesex | C. J. Thornton, Durham |
| R. F. Green, Kootenay | T. G. Wallace, Centre York |
| A. E. Hanna, S. Lanark | J. Webster, Brockville |
| D. Henderson, Halton | W. G. Weichel, N. Waterloo |
| C. Jamieson, Digby | G. C. Wilson, Wentworth |
| F. R. Lalor, Haldimand | W. Wright, Muskoka |

THE RIGHT HONOURABLE SIR WILFRID
LAURIER WILL FORM NATIONAL
GOVERNMENT OF ABLEST MEN
OF ALL CLASSES.

WE reproduce herewith a letter written by the Right Honourable Sir Wilfrid Laurier to Mr. Frank Wise of Toronto, Hon. Secretary of the Win-the-War League.

Ottawa, August 21st, 1917.

Dear Sir,—

I have the honour to acknowledge the receipt of your favour of the 14th inst., enclosing a resolution of the Hamilton Branch of the Win-the-War League, to which my attention is desired. The resolution is addressed to me in the following language:

"We understand that you have again been approached to join in the formation of a Union National Government and as you have on more than one occasion stated that you are in this war to a finish, we appeal to you to co-operate by putting a definite limit on the time you desire for the continuation of voluntary enlistment and by stating the methods you wish to have followed. We appeal to you also to state that if this effort for volunteers should fail to produce the men for the necessary reinforcement of the forces at the front, you will agree to support Conservative measures."

I would have thought that my recorded utterances in and out of Parliament would have left no one in doubt as to my opinion on the different enquiries of the above resolution. But since there are some of my fellow citizens who express the wish for a further explicit declaration, I deem it my duty at once to comply with the request.

At the opening of hostilities in August, 1914, I stated that I fully approved the participation of Canada in support of Great Britain and her allies. It seemed evident even at that early moment that the war was beyond all else a struggle not only for the supremacy, but for the very existence of democracy and of civilization itself. and this truth has become more and more manifest as events developed, until even the American people, though strongly averse to war, had also to enter the conflict.

I then held and still hold that the reasons were paramount for Canada to exert its full strength to assist through an intelligent organization and mobilization of all its resources.

Whilst willing and ready to make every allowance for mistakes and even serious errors, I am forced to state that in my judgment the administration now in office, through lack of a proper appreciation of its responsibilities hopelessly blundered in that it did not long ago definitely ascertain the scope and character of the services that could best be rendered by Canada for war purposes.

I would infer that the Hamilton Branch of the Win-the-War League have reached the same conclusion, since by their resolution there is implied a reproach that I have refused to join what they term a Union National Government and a wish that I should now do so.

I may observe that I never was approached to join a Union National Government, whose first duty, I conceive, would have been to discuss and frame a policy adapted to our national situation, with the object of rallying all the forces of the nation towards the end of helping to win the war.

I was invited, it is true, by the Prime Minister to join his government, when he had already committed himself to a policy which had never been suggested, but rather deprecated in all his previous utterances, and which according to evidences not a few, and not inconsiderable, was repugnant to a large proportion of our fellow citizens in all the provinces. Such an invitation I could not accept, but since the policy had been deliberately adopted by the administration, my opinion was and still is that the best and only thing to do was to submit it to the people by means of a referendum, and I here again

express my regret that this view was not accepted.

Though no mention is made in the resolution of the extension of Parliament, I should also add, since the subject is still much discussed, that the present condition of the representation in the House of Commons makes a general election imperative, and the reasons are obvious. Apart from the fact that the Western Provinces are deprived of some twenty two members to which they are entitled by reason of their increased population as determined by the last census, in the House as composed by the verdict of the people in 1911, there are no less than twenty-four constituencies unrepresented, those vacancies having been caused by death, or appointment to office, three members having elevated to the Senate within the last month.

In the new parliament, I hold that it must be the duty of the majority leader, whoever he may be:

1. To confer immediately with Great Britain and her allies with a view to ascertain how and to what extent the participation of Canada can be utilized to the greatest advantage in the prosecution of the war, regard being had on the one hand to the necessities of the allies for men, food, ships, munitions and war supplies, and on the other hand to our population, resources, industries, geographical and other essential considerations.

2. To bring into being a government composed as far as possible of the ablest men in all classes, whose immediate task would be the efficient and non-partisan organisation of the whole nation on the lines determined upon.

3. To organize a vigorous and compact system of voluntary enlistment, conceived and carried out on strictly non-partisan and broadly national methods.

4. To devise and apply ways and means so that the full duty of Canada be generously performed towards our returned soldiers and their dependents; the wealth of Canada compelled to contribute its just and proper share of our burdens, and the mass of the people efficiently safeguarded from the greed of war profiteers.

The above views I hold and express not in deviation but in fulfilment of the course which I marked down to the outset, and which never was at any moment absent from my thought.

Believe me,

Yours sincerely,

(Sgd.) WILFRID LAURIER.

Mr. Frank Wise,
Honorary Secretary,
Win-the-War League,
Toronto, Ont.

MR. BONAR LAW SAYS GREAT BRITAIN
HAS A SURPLUS OF MEN.

We reproduce herewith a paragraph from "The Spectator" (England) 28th July, 1917.

Mr. Bonar Law gave the House on Tuesday the figures of the cost of the war. The totals are so colossal that few can hope to realize their meaning. Mr. Bonar Law was asking the House for a Vote of Credit for £650,000,000—the largest ever proposed. This Vote would bring the total war votes to £5,292,000,000 or over seven times our National Debt before the war began. We shall have spent by August 4th next, the third anniversary of the war, £4,642,000,000. Out of this, we have lent £1,025,000,000 to our Allies, and £146,000,000 to the Dominions, leaving a net British expenditure of £3,471,000,000. Since May 9th we have spent on an average £6,795,000 every day, or £1,384,000 over the tentative budget estimate. The excess has been due to the increased output of munitions, to large purchases of foodstuffs, and, PARTLY, TO THE UNEXPECTEDLY LIGHT CASUALTIES IN FRANCE, WHICH HAVE LEFT US WITH MORE MEN TO PAY AND FEED THAN SEEMED POSSIBLE BEFORE THE SPRING OFFENSIVE BEGAN. Such a reason for an excess of expenditure is truly gratifying. Mr. Bonar Law reminded the House that America is now drawing upon her illimitable resources for the support of the Allies."

RATES OF PAY RECEIVED BY SOLDIERS OF CANADA, GREAT BRITAIN, AUSTRALIA AND NEW ZEALAND.

WE give herewith in tabulated form the rates of pay and allowances for the soldiers of Canada, Great Britain, Australia, and New Zealand, who are now fighting in Europe.

Australian soldiers receive the highest pay. New Zealand soldiers come next, Canada, third, and Great Britain fourth.

OVERSEAS RATES OF PAY AUSTRALIAN ARMY.

	Pay of rank	Field pay	Total	Separation allowance
Private.....	\$ 1.46		\$ 1.46	35c a day for wife and 15c each child. For a wife and two children this would amount to \$19.50 for a 30 day month.
Corporal.....	2.43		2.43	None.
Sergeant.....	2.55		2.55	None.
Sgt.-Major.....	3.16	.24	3.40	None.
Lieutenant.....	4.25	.85	5.10	None.
Captain.....	5.48	.85	6.33	None.
Major.....	7.30	1.22	8.52	None.
Lt.-Colonel.....	9.12	1.82	10.94	None.
Colonel.....	10.96	1.82	12.78	None.

(a) Deferred pay at rate of 24c for Private and rising to \$1.95 for Colonel is withheld till return to Australia.

(b) Above rates are payable after examination, before embarkation the scale is reduced by 24c (one shilling) for the rank and file.

NOTE.—Compared with Canadian rates the Australian rates are about the same for married men, but higher for unmarried men.

In the case of an unmarried man the difference is 36c a day after embarkation and 12c before embarkation, in favour of the Australian.

NEW ZEALAND EXPEDITIONARY FORCE.

	Regimental rate of pay per diem	Field pay per diem	Total	Separation allowance (wife and 2 children)
Private.....	\$.97		\$.97	
Corporal.....	1.33		1.33	
Sergeant.....	1.70		1.70	
Sgt.-Major (W.O.).....	2.19	.36	2.55	
Lieutenant.....	2.92	.73	3.65	
Captain.....	4.25	.85	5.10	
Major.....	5.11	1.21	6.32	
Lt.-Colonel.....	6.08	1.21	7.29	
Colonel.....	7.30	1.21	8.51	

The rate of separation allowance is not known.

Fresh — Fragrant and

Delicious

'SALADA'

is laden with the invigorating and refreshing qualities that are only to be found in perfect tea, fresh from the mountain gardens of Ceylon.

CANADIAN EXPEDITIONARY FORCE.

	Regimental rate of pay per diem	Field pay per diem	Total	Separation allowance per month
Private.....	\$1.00	.10	1.10	20.00
Corporal.....	1.10	.10	1.20	20.00
Sergeant.....	1.35	.15	1.50	25.00
Sgt.-Major (W.O.).....	2.00	.30	2.30	30.00
Lieutenant.....	2.00	.60	2.60	30.00
Captain.....	3.00	.75	3.75	40.00
Major.....	4.00	1.00	5.00	50.00
Lieut.-Colonel.....	5.00	1.25	6.25	60.00
Colonel.....	6.00	1.50	7.50	60.00

BRITISH ARMY RATES, PAY AND ALLOWANCES.

	Pay of rank	Field Pay	Total	Separation allowance (wife and 2 children)
Private.....	.24		.24	.73
Corporal.....	.40		.40	.73
Sergeant.....	.57		.57	.73
Sgt.-Major.....	1.22	.24	1.46	.95
Lieutenant.....	2.43	.61	3.04	None.
Captain.....	3.05	.73	3.78	None.
Major.....	3.90	.97	4.87	None.
Lieut.-Colonel.....	5.12	.97	6.09	None.

Separation Allowance varies according to the number of children.

CAMPAIGN LITERATURE.

Hon. Robert Rogers and Sir Robert Borden
complain.

THE correspondence in connection with the resignation of the Honourable Robert Rogers, has been made public and from it we quote two paragraphs, one from the letter of Mr. Rogers to Sir Robert Borden, dated August 15th, 1917, and Sir Robert Borden's reply :

Mr. Rogers in his letter stated :

"Our opponents are strong, active and hopeful. They do not hesitate in adopting the most sordid methods imaginable. They have been covering the country for months past with literature of the most damnable character. They have a strong press, through which they are promoting a most cowardly malevolent campaign. I am often made the target for many of their attacks—attacks which they are unable to support with any substance."

"And what are we doing? Nothing that I know of except going on treating the promoters of this slanderous campaign as gentlemen.

Sir Robert Borden replied :

"It is perfectly true that the official Liberal Press Bureau has been disseminating throughout the country in vast quantities for many months, campaign literature of a most unworthy and offensive character.

Tories issue more different circulars each week than do the Liberal Party in six months.

We ask in all seriousness are these statesmen in absolute ignorance of what their own party is doing, or is this an effort to deceive the public? We assert, and we have the evidence to prove our assertion, that more circulars are being prepared in the Conservative Headquarters Bureau in one week than there are in the Liberal Bureau in six months. What are the facts?

The Conservative Party have in Ottawa what are known as three Services, one called "Daily Press Service", another a "News Service", and a third a "News Letter". All three working overtime, right under the very eyes of Mr. Rogers and Sir Robert Borden and yet they say their party is doing nothing?

To prove our assertions, we quote herewith the headings of some of their recent circulars prepared and distributed subsequent to July 24th, 1917.

July 24th.

"Mr. Borden's Message to Canada".
Mr. Pugsley's Somersault".
"Hampering the Government".
"From Dr. Clark's Speech".
"Mr. Guthrie on a Referendum"
"Labor Man approves".
"Lip-Loyalty".
"Truckling to Quebec".
"A Dishonest Argument".

August 1st, 1917.

"In Aid of Agriculture".
"Crying in the Wilderness".
"Journalistic Malevolence".
"The Tender Concriptionist".
"A Pious Journalistic Fraud".
"Insulting the English".
"Agitation Confined to Quebec".

August 10th, 1917.

"A good Beginning".
"The Duty of the Hour".
"Some Cross-Eyed Patriots".

"Not a New Principle".
"The Gravest Danger".
"West Looks to East now".
"Sir Wilfrid and Sir Clifford".
"Trending Toward Union".
"Mild, but Forceful criticism".
"Laurier and the Liberal Party".

August 15th, 1917.

"What Think they of Themselves".
"Laurier Backs Quebec".
"The Western Convention".
"The Influence of Canada".
"Referendum a Blunder".
"Our First Line of Defence".
"A Boost for Canada".
"Figures that Tell about".
Canada's Part in the War".
And scores of others.

At least twenty-one distinct circulars touching on more than sixty different subjects all within 37 days. Does that resemble inaction? More than two circulars a day. These are the facts and **we challenge contradiction**. And this has been going on practically continuously since the War started.

In the March, 1917, issue of the Canadian Liberal Monthly, we reproduced fac-simile copies of some of the most vicious and venomous partizan literature ever printed. These pamphlets were dated August 14th, 1914, and September 12th, 1914, within a month after the War started.

Can, therefore, Sir Robert Borden and Mr. Rogers honestly say that their party is doing nothing? They must know what their party is doing, we believe they do know, and what Sir Robert Borden and Mr. Rogers meant was "**they could not answer these charges**" not "**they would not.**"

CANADA'S CREDIT.

WHY should Canada be accorded differential treatment in the money markets of the world to finance our part in the war? While Great Britain, France and other allied countries have already obtained nearly a billion and a half dollars from the United States government at 3½%, Canada is compelled to float her last loan of \$100,000,000 privately in New York at almost a prohibitive price approximating 8% when agency and all other charges are added. This in the face of the fact that Canada's other loans are in greater demand and are selling at a higher price than Anglo-French bonds. Agnes C. Laut, writing to the Financial Post from Washington, reports the average man on the American side asking these questions—"France is one of the Allies and Great Britain guaranteed her loan. Canada is one of the Allies—why did the Mother Country not guarantee her loan and go straight to McAdoo for it at 3, and 3½% instead of 6.7%, which is practically what Canada is now offering." "The other Allies are getting money, since the United States went in—at 3, 3½%. Why has Canada acted independently of them?"

May we not put this question directly up to our Finance Minister. The impression is steadily growing that the affiliations of our present Minister of Finance are altogether too close with the "Big Interests" to do unprejudiced service for Canada and the present last hour dip into the Treasury for the C.N.R. is not doing much to disseminate this opinion.

SOLDIER'S PAY SUFFICIENT, SAYS GOVERNMENT ORGAN.

NO newspaper in Canada speaks for the Government with greater authority than the Ottawa Journal-Press. Any announcement which the Government wishes to make is made through this newspaper in consequence of which the following editorial appearing in the Journal-Press of August 13th, 1917, is significant.

Canadian Soldiers' Pay.

The Canadian soldier is the best paid in the world, directly or indirectly. The Ottawa Citizen finds him an object of deep sympathy financially when it wants to get a crack at "the profiteers" who disturb the Citizen's soul when it is not busy arguing that it ought to get a snug and sure 7 per cent, on its own large capital. Nevertheless the Citizen might as well tell the whole truth in its lubrications about the soldiers—or about anybody. It rises to remark as to the soldier's pay that the country ought to give him "a decent figure," and goes on:

"And somehow \$1.10 a day doesn't seem to fit the case, particularly when the soldier knows that the profiteers are busy behind him."

No—assuredly \$1.10 doesn't fit the case. It merely fits a Citizen foolishness.

A Canadian soldier gets \$1.10 a day, Sundays included. Further, he gets his board, which in civil life would cost him at least 50 cents a day, and probably a good deal more. At all events, his pay and board may be taken as equivalent to \$1.60 a day, or over \$48 a month. Then he gets considerable clothing. Let us suppose the value of this to be only a couple of dollars a month. We have arrived now at \$50 per month as practically the least pay of any Canadian soldier.

But this is the pay of only the young unmarried soldier—the man who in civil life would likely be an unskilled man or an apprentice or a junior clerk. How many such get \$600 a year in civil life? What about the case of the married soldier, the trained adult who in civil life would be earning good wages? First of all, the married soldier has a "separation allowance" of \$20 a month for his family from the Government. This brings his direct Government pay or allowance up to the equivalent of \$80 per month—nearly a thousand dollars a year. But that isn't all. Next comes the Patriotic Fund. Beyond the Government allowance, the Patriotic Fund supplements the soldier's pay in various degrees, according to size of family. Taking an average family of wife and three young children, the Patriotic Fund allowance is usually (it varies in various localities) somewhere around \$20 a month. This brings the average married Canadian soldier's total receipts up to the equivalent of \$100 a month, or \$1,200 a year.

A first-class mechanic earns in Canada \$3 to \$4 a day. But he doesn't earn it Sundays; in other words, he is likely to make less than \$1,200 a year. A capable and experienced clerk or book-keeper in this country does not often make more than \$1,200 a year. Few of our farmers or our shopkeepers do better.

Finally, the soldier if hurt or invalid will get a pension for life. Men in other occupations, some of which are dangerous, have to take their chances.

On the day following the publishing of this editorial the Journal-Press printed a correction admitting that they had made a mistake of \$5.00 in overestimating the soldier's pay it was \$95.00 a month instead of \$100. Even with this admission we yet challenge the accuracy of their figures. In a particular case a soldier under the most favorable conditions may draw \$95.00 a month, but we venture to say that on an average not one out of 1000 soldiers draw anywhere near that amount. For the Journal-

Press or the Government to argue that the pay of our soldiers in France can be compared with the pay of a munition worker or labourer in Canada, seems incredible. Not one out of twenty-five strong able munition workers secure less than \$95.00 a month. Compare the extreme hardships, discomforts and risks of our soldiers with the life of a munition worker or labourer in Canada, and only those who are crazy-mad would attempt to say that the soldier is the best off of the two.

Partyism in the tory press is rampant and the above is a fair sample.

NATIONAL SERVICE BOARD AND ITS CHAIRMAN R. B. BENNETT.

THE readers of the Liberal Monthly will recall several articles written on various occasions criticizing the composition of the National Service Board. They will also remember the resignation of Sir Thomas Tait and the appointment of Mr. R. B. Bennett, M.P., in his place; the reports of the work that this National Service Board was going to do and the great service to be rendered by the National Service cards.

Everybody knows what the result has been. Nothing. The money has been squandered by the thousands of dollars and the people of Canada are looking to the Government for some statement justifying this huge expenditure.

"The greatest failure that ever occurred in the public life of the Dominion of Canada" is what Sir Sam Hughes said in the House of Commons, on Monday, August 13th, in regard to Mr. Bennett, the chairman of this National Service Board:

This is what Sir Sam said :

"If I were in that hon. gentleman's (R. B. Bennett) place I would never be found insulting the intelligence of the Dominion House of Commons by standing up in my place and addressing them on any subject. This is the gentleman who made such an exhibition of himself and who was such a failure as the head of the National Service Commission which has been wasting the country's money in thousands and tens of thousands of dollars perambulating up and down the country. He wound up with a meeting in the great Massey Hall in the City of Toronto. Not content with having that hall, he arranged for an overflow meeting in the great Metropolitan church and for another in the Orange hall adjoining.

He is the hon. gentleman who has brought bad luck to every undertaking, every interest, every man with whom he has been associated.

When the night came for the meeting in the great city of Toronto only two-thirds of Massey hall was filled and the meeting was carried out by rushing an order out to the barracks and rounding up 2,000 or 3,000 troops at the last minute to make a quorum. There was no meeting at all in the great Metropolitan church and the doors of the Orange hall were not even opened. This hon. gentleman stands as the head of a commission that for nine months held up the boys in the trenches. There never was an institution in Canada that had as loyal support from the people as had this gentleman and his commission. We were all doing our best for him. He stands as having been the head of the greatest failure that ever occurred in the public life of the Dominion of Canada." (From *Unrevised Hansard, Monday, August 17th, 1917, page 4621.*)

What if anything can Mr. Bennett and the Government say in reply.

THE EXPLOITERS.

WAR conditions bring out sharp contrasts in the soul of humanity. While on the one hand, service and sacrifice stand out strongly and clearly in almost God-like proportions; on the other, the vampires of war graft find opportunity to exploit the agonies of the people for private gain. Canada's part in the world war has developed, on the one hand, patriotism that has never been excelled, and, on the other, a depth of infamy that has seldom been equalled.

There have been war grafters in every country that ever was at war as there have been camp followers with every army that ever fought. But there never was a country at war with so little excuse for war graft in which so much occurred, as in the case of Canada in the present war. From the letting of the first contracts to equip the first overseas contingent down to the present moment, graft, favoritism and inefficiency have characterized the war administration of Canada. The patriotism of the Canadian people and the persistent courage of Canadian soldiers have done wonders; but they cannot always triumph over the obstacles created by such an administration as has cursed Canada ever since the outbreak of war.

It is terrible to think that we sent our men forward in their tens of thousands with equipment that had to be scrapped; with rifles that failed in the crisis of battle; and in too many cases under officers in whose selection military efficiency was the last and least consideration—that the dependents of our soldiers were not and are not given an allowance from the treasury sufficient for their maintenance, and that our disabled men are treated rather as outcasts or grafters than as men who have rendered unmeasured service to their country; while inefficient, both officers and men in unknown thousands are kept on the pay list.

These conditions are the creation of the present government of Canada. They are because that Government brought them into existence and perpetuates them. From all appearances they will continue as long as that government remains in control. If they are to be changed, the change must be made by some other administration following a radically different line of policy. A change of men would be of no effect unless accompanied by a change of principles.

The Borden Government was elected for a five year term, which ended on October 7th, 1916. Since that time it has held power by the will of Parliament—not of the people. The Liberal minority in Parliament has refused assent to a further extension of the parliamentary term, and a general election is in sight. It is unthinkable that the people of Canada would endorse the Borden Government at the polls if the issue were the merits of its war policy, to say nothing of its policy in civil affairs. To assume that would be to assume that the Canadian people have become mentally deficient and were unfitted for the responsibilities of self-government. Of all the people of Canada the Premier—if he is to be judged by his recent moves in political strategy—is the last man who nurses any such belief. His attitude of mind on this subject is strongly reflected

in that of the whole crew of war exploiters who have fattened on the blood and agony of the nation for the past three years under his protecting hand.

ARE CANADIANS GOING TO UNITED STATES TO ASSIST IN HARVESTING CROP ?

The following are extracts from a despatch from Washington, D. C., which appeared in the Canadian newspapers on August 14th:

"Twenty thousand American harvest hands will help save Canada's grain crop and nearly half as many Canadians will dig potatoes in Maine under an agreement reached to-day by representatives of the American and Canadian governments. Immigration regulations will be suspended by both countries to permit the labour to cross and recross the border."

"The wheat fields of Manitoba, Saskatchewan and Alberta begin to ripen just after the crop in the northern tier of states is gathered. Canada is counting this year on a 300,000,000 bushel yield of wheat, the second largest the country has grown.

"Maine's potato crop is about ready for digging and there is not enough available labor in New England to take care of the yield. Canadian labour employed for a short time will enable Maine farmers to save all their crop."

That American farms in Western United States can harvest their crop and come over to the Canadian North West in time to be of any great value towards harvesting the Canada wheat crop seems very problematical. The men are needed and it is the patriotic duty of the United States to assist without asking that Canadian farmers at other points be sent in to the United States to assist in their harvesting.

As Colonel Roosevelt stated in a speech delivered in New York on August 15th, "it is the duty of the United States to assist our valiant cousins of the Dominion in every possible way."

In Eastern Canada, our farmers are crying for harvesters from every quarter and it seems incredible to believe that any men can be spared to go to the United States to assist in harvesting their potato crops. With Conscription facing us, which is likely to immediately draw another 100,000 men from our working forces, with the great shortage of labour in the work of food production, with the shortage of labour in the munition factories, that Canada should now be asked or that the Government should ask Canadian labor to go to the United States for the purpose of harvesting their crops seems beyond intelligent comprehension. Surely some of the big manufacturing establishments in the New England States can supply all the labour required to harvest the potatoes grown in the State of Maine.

If New Brunswick has 10,000 labourers who have nothing to do, (which we doubt), the Government could well transport them, if necessary, free of charge, and place them for one month upon the Ontario farms where there is a crying demand for more labour. Lord Rhondda, Great Britain's Food Controller, says "the crying need to-day is Food." Let the Government take some real effective steps to see that Ontario's food crop is harvested and not only aid Great Britain and our Soldiers at the front, but also the soldiers' families in Canada, by harvesting the crop and reducing the cost of living.

LEGAL, PROFESSIONAL AND BUSINESS CARDS.

The rate for these cards for one-half each space is as follows:

For one insertion\$ 1.25
 For 3 consecutive insertions..... 3.50
 For 12 consecutive insertions.... 12.00
 A corresponding rate for double or triple space.

All cards appearing in the English edition automatically appear in the French, without extra charge.

MONTREAL

JACOBS, COUTURE & FITCH
 Advocates

Barristers & Solicitors

W. Jacobs, K.C. G. C. Papineau-Couture
 L. Fitch

Power Building

83 Craig Street West. Montreal, Que.

GAUTHIER & BEAUREGARD

Advocates

Rooms 412 and 413 Power Bldg.

Montreal, Que.

L. J. Gauthier K.C., M.P., L. E. Beauregard K.C.

GEOFFRION, GEOFFRION & CUSSON

Advocates

97 St. James St. Montreal, Que.

HORMISDAS PELLETIER K.C.

Lawyer

99 St. James St. Montreal, Que.

PELLETIER, LETOURNEAU, BEAULIEU & MERCIER

Advocates

30 St. James St. Montreal, Que.

LIGHTHALL & HARWOOD

Barristers & Solicitors

W. D. Lighthall, K.C. C. A. Harwood, K.C.

304-307 Montreal Trust Bldg.

Montreal, Que.

RENE CHENEVERT

Attorney at Law

Bank of Ottawa Building

222 St. James St. Montreal, Que.

J. H. DILLON

Advocate, Barrister and Solicitor

415 Merchants Bank Building

205 St. James Street Montreal, Que.

BERCOVITCH, LAFONTAINE & GORDON

Advocates, Barristers, Solicitors
 Peter Bercovitch, K.C., M.P.P., Ernest Lafontaine
 Nathan Gordon

Bank of Toronto Building

260 St. James Street Montreal, Que.

J. S. BUCHAN, K.C.

Advocate, etc.

Eastern Townships Building

263 St. James Street Montreal, Que.

RUSSELL T. STACKHOUSE

Advocate, Barrister and Solicitor
 120 St. James Street Montreal, Que.

OTTAWA

McGIVERIN, HAYDON & EBBS

Barristers, Solicitors, Notaries, Etc.

19 Elgin St., Ottawa, Ont.

Parliamentary, Supreme Court and Departmental Agents

FRANK PEDLEY, ESQ.

Barrister, etc.

Central Chambers Ottawa, Ont.

AUGUSTE LEMIEUX, K.C.

Barrister & Solicitor. (Ontario & Quebec)

"Plaza" Building, Ottawa, Ont.

Supreme and Exchequer Court and Departmental Agent

McLAURIN, MILLAR & KENNEDY

Barristers, Solicitors, Notaries, Etc.

19 Elgin St. Ottawa, Ont.

Geo. McLaurin LL.B. Haldane Millar

D. Ray Kennedy

CHRYSLER & HIGGERTY

Barristers & Solicitors

Supreme Court, Parliamentary and Departmental Agents

Central Chambers Ottawa, Canada

F. H. Chrysler, K.C. F. E. Higgerty

TORONTO

CHARLES W. KERR & CO.

Barristers, Solicitors, Notaries, Etc.

Lumsden Bldg., Toronto, Ont.

Charles W. Kerr Archibald Cochrane

Special attention to Investments, Corporation Law and Litigation

JOHNSTON, McKAY, DODS & GRANT

Barristers & Solicitors
 Notaries Public, etc.

E. F. B. Johnston K.C. Robert McKay K.C.
 Andrew Dods Gideon Grant
 D. Inglis Grant Mervil Macdonald
 C. W. Adams Bruce Williams P. E. F. Smily
 Traders Bank Bldg. Toronto, Ont.

ROWELL, REID, WOOD & WRIGHT

Canada Life Bldg.

44 King St. W. Toronto, Ont.

N. W. Rowell K.C. Thomas Reid

S. Casey Wood E. W. Wright

C. W. Thompson J. M. Langstaff

E. G. McMillan E. M. Rowand

D. B. Sinclair M. C. Purvis

MANITOBA

COYNE, HAMILTON & MARTIN

Barristers, Solicitors, Notaries, Etc.

600-603 Union Trust Bldg., Main Street

Winnipeg, Man.

J. B. Coyne, K.C. Wm. Martin

F. Kent Hamilton J. Galloway

SASKATCHEWAN

NORMAN R. HOFFMAN

Barrister, Solicitor, Notary, Etc.

Solicitor for Merchants Bank of Canada

Gull Lake, Sask.

ALBERTA.

J. W. WYATT

Ranching and Farm Lands,

Jarrow, Alberta.

PATENT SOLICITORS

FETHERSTONHAUGH & CO.

Patents and Trade Marks

"The Old Established Firm"

Patent Solicitors and Barristers

Toronto Head Office, Royal Bank Bldg.

Ottawa Office, 5 Elgin Street

BUSINESS CARDS

PROVOST & ALLARD

Wholesale Grocers

45 to 47 Clarence St., Ottawa

Agents for

"SALADA TEA" and "HEINTZ 57"

MOYNEUR, LIMITED

Produce Merchants

12-14 York St. Ottawa, Ont.

EMPLOYEES IN DEPARTMENT OF AGRICULTURE.

A return tabled in the House of Commons on Wednesday, July 15th, 1917, showing that the number of permanent Civil Servants and officials in the Agricultural Department, Ottawa, had increased from 227 on October 11th, 1911, to 336 on March 31st, 1917, or an increase of 48 per cent. That in the same period the temporary employees had increased from 17 to 69, or an increase of 306 per cent.

Expenditure in connection with these salaries in the last three years has increased from \$994,678 in 1914 to \$1,482,210 in 1917, or 48 per cent.

Has the work of the Agricultural Department under the Hon. Mr. Burrill justified these enormous increases?

REAL CONSCRIPTION OF MEN WHY NOT REAL INCOME TAX?

SIR Robert Borden speaking in the House of Commons on May 18th, 1917, said:

"The extreme gravity of the situation" was his excuse for imposing conscription upon Canada.

Sir Thomas White speaking in the House of Commons on August 3rd, 1917, gave for his reason for not imposing the highest possible Income Tax was that, "grave reasons of national defence" did not demand it.

The needs of the nation demand conscription of men but the needs of the nation demand only a semi-income tax according to the Borden Government.

The masses fight while the rich fatten.

REVENUE COLLECTING—IN BRITAIN—IN CANADA.

ON August 10th, 1917, Lord Robert Cecil, Minister of Blockade, in the British Government, gave out a statement regarding Great Britain's War Revenue and Expenditure for the three years, August, 1914, to August, 1917. It stated:

Great Britain's Government Expenditure has been \$26,378,000,000. Nearly one-fifth of this figure, or \$5,220,000,000, has been advanced to our Allies. We raised a considerable part of this expenditure by taxation and taxation per head in Great Britain has increased from less than \$18 per year before the war, to \$61 yearly at present. Of this average, \$61, which every man, woman, and child pays annually to the Government, \$50 is collected by direct taxation, namely, income tax, excess profits tax, stamp tax, and death duties of inheritance tax. The other \$11.00 comes from indirect taxation, namely customs and excise. We are now raising \$510,000,000 yearly by indirect taxation and \$2,335,000,000 by direct taxation."

Taking these figures as a basis Great Britain is to-day collecting approximately 18 per cent of her revenue by Indirect taxation from Customs and excise, and 82 per cent by direct taxation from incomes, excess profits, stamp and other special taxes which fall very heavily upon the rich.

What is the position in Canada?

Since the beginning of the War, according to the statement made in the House of Commons on April 24th, 1917, by Sir Thomas White, Canada's revenue has been:

1914-1915.....	\$130,000,000
1915-1916.....	170,000,000
1916-1917.....	232,000,000

Making a total of.....\$532,000,000

On that occasion Sir Thomas White informed the House that of this last year's revenue of \$232,000,000 there was derived by Indirect Taxation (from Customs Excise, Public Works, Post Office, etc., and etc.) \$219,500,000 and from direct taxation (from Business War Taxes) \$12,500,000. Taking these figures as a basis Canada is collecting 5½ per cent of revenue from direct taxation and 94½ per cent from Indirect taxation.

Comparing Canada's revenue with that of Great Britain we have:

	Canada	Great Britain
Collected by direct taxation, Incomes, War Taxes, etc.....	5½ per cent.	82 per cent.
Collected by indirect taxation, Customs and Excise, etc.....	94½ per cent	18 per cent.

Can any better evidence be produced to prove that in Canada it is from the masses that the revenue is being collected while the profiteers and wealthy go practically untouched; exactly the reverse from the system of taxation in Great Britain.

Per Capita Revenue in England and in Canada.

Lord Robert Cecil says that at the outbreak of war, Great Britain's revenue per capita was \$18.00

per year and that now it is \$61.00. In Canada the revenue per capita at the outbreak of war was \$18.00. For the last fiscal year Canada's revenue per capita was \$33.22, an increase of \$14.22 for every man, woman and child, or a total increase in the revenue of Canada of \$102,000,000.

We have proven from the above figures that 5½ per cent or \$12,500,000 of the revenue of Canada was secured by direct taxation from excise and business taxes. Reducing this to a per capita basis, it gives \$1.61 collected by direct taxation from every man, woman and child. We also have showed that indirect taxation from Customs, excise, etc., and etc. produces \$219,500,000 or \$30.49 per capita per annum as against \$18.00 per capita per annum before the outbreak of war.

War Taxes devoted to Ordinary Expenditure.

Speaking in the House of Commons on April 24th, 1917, Sir Thomas White, Minister of Finance, informed the House that from Canada's revenue of \$232,000,000 for the last fiscal year we were able to pay all current and capital expenditure, all charges of interest upon our increased national debt, and pension outlays and in addition devote \$60,000,000 to payment of principal on war expenditure. This, on the face of it, appears to be an excellent showing but when we analyze our expenditure it shows conclusively that while additional taxes have been imposed upon the masses of the people for war purposes, the revenue derived from such "War Taxes" has been devoted to the ordinary extravagant expenditure of the Government.

Let us prove this assertion. Before war broke out our revenue was \$130,000,000 a year. Last year it was \$232,000,000 or an advance of \$102,000,000 which can well be said to be due to additional taxes imposed for war purposes. Of this \$102,000,000 the sum of \$25,000,000 was devoted to ordinary expenditure to pay, using Sir Thomas White's own words, "increased interest and pension charges due to the war." Sir Thomas added, "and in addition devote the sum of \$60,000,000 to payment of the principal of our war expenditure."

These two items account for \$85,000,000 of the \$102,000,000 special war tax. Where is the balance, \$17,000,000? Nothing is said about it, except that it has been spent on ordinary account to carry on the extravagant expenditures of the Government.

We appreciate that the expenditure of money in time of war is necessary but when we find a Government placing upon the people of Canada an additional war time tax of \$14.22 for every man, woman and child and then spending \$17,000,000 of money thus collected on work other than the war, we feel justified in at least stating that it is high time for a halt to be called. Extravagant partisan expenditure for the sole benefit of those in power must end and we believe the people of Canada will end it if given an opportunity.