

# THE CANADIAN LIBERAL MONTHLY

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Ten Cents

## THE REAL QUESTION.



CANADA.—Well! What do you know about that?

BORDEN.—No, Madam, the question is what do YOU know about it, and what do you think of it, and what are you going to do about it?

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## WAR MUNITIONS IN CANADA.

The activities and inactivities of the Dominion Shell Committee, which was named early after the outbreak of the War by the Dominion Government to take charge of all munitions contracts for the Imperial government in Canada, have been much in the limelight recently. On October 9th, speaking before the Canadian Manufacturers' Association at Montreal, Mr. D. A. Thomas, representative in Canada of the British Minister of Munitions, stated that the Shell Committee was to be re-organized, he having been given this assurance by the Dominion Government. He stated that he was empowered to place further large orders "provided prices and conditions are satisfactory," but that prices had been higher and delivery slower in Canada than in Great Britain or the United States.

Major General Sir Sam Hughes replied to Mr. Thomas in an interview the following day in which he took flat issue with Mr. Thomas and declared that some of his statements as reported were erroneous. Sir Sam concluded: "It is upward of three months since Mr. Thomas crossed the ocean and he has not concluded a contract yet for one single dollar's worth of orders in Canada." To the average person this fact will possibly be taken as the best proof that Mr. Thomas has not found "conditions" satisfactory.

Mr. Thomas was naturally guarded in his statements. "If I raise the veil a little" he said, "it will be on my own personal responsibility and do not take it as coming from the Minister of Munitions. But naturally, from my official position, I must have considerable inside knowledge of what is going on in Canada in the manufacture of munitions."

The Ottawa Citizen, October 13th, perhaps put in plainer words what Mr. Thomas may have been hinting at, when it said:

"The Shell Committee must be made so strong as to be above possible pressure or interference by interests representing political patronage or private profiteering."

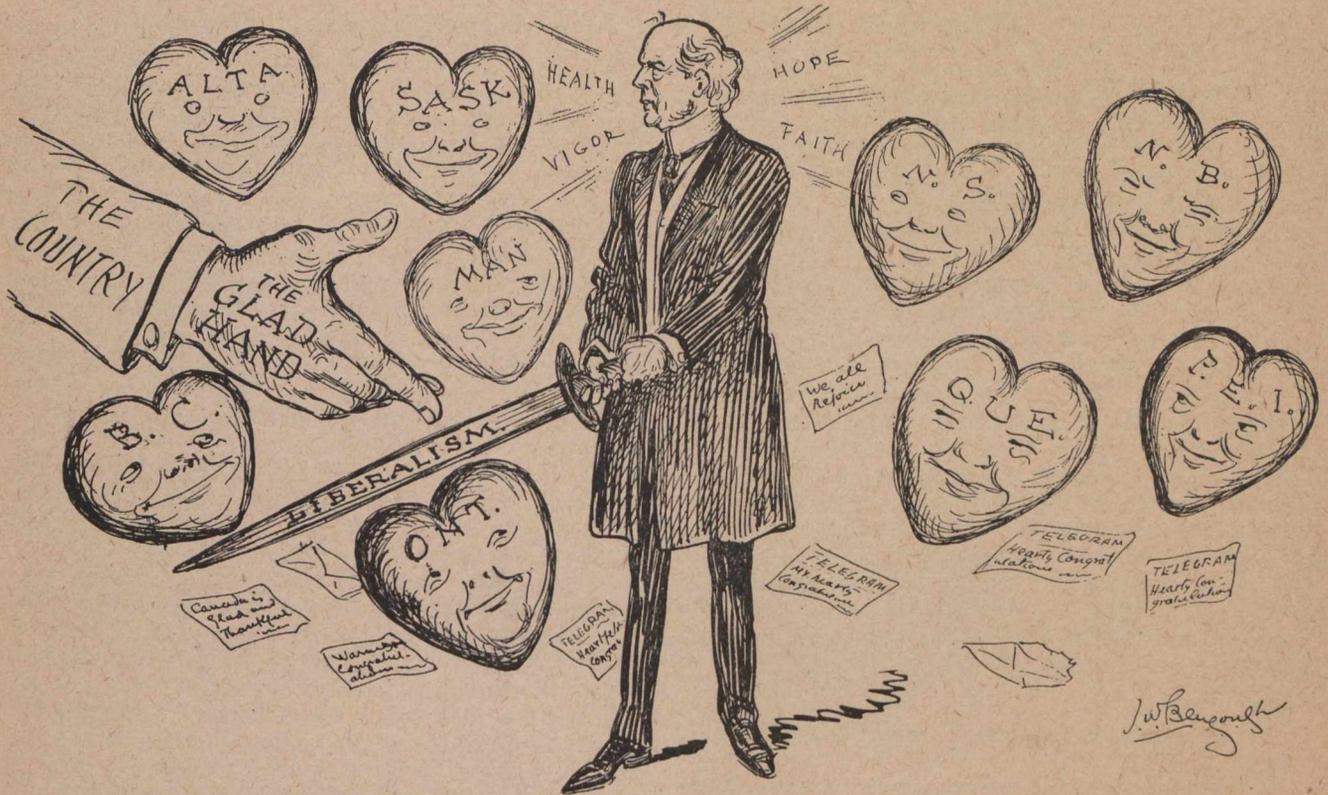
## THE SUBMARINE ENQUIRY.

The Davidson Commission on War Contracts opened its investigation into the purchase of two submarines for the Canadian Government at Victoria, B.C., on October 1st and adjourned on October 5th, when it was intimated by Sir Charles Davidson that he would continue the investigation in the East, and if necessary, would return to Victoria at a later date if he found it advisable to examine further witnesses. The evidence taken at Victoria added but little circumstantial detail to the facts as previously made public through the press or before the Public Accounts Committee of the House of Commons. It was shown that the contract price for the two submarines to the government of Chile was \$818,000, while the Canadian Government paid \$1,150,000 for the same boats. J. B. Paterson of Seattle, who conducted the negotiations with Sir Richard McBride and other government representatives, admitted that he had received \$40,000 of the purchase price as his commission on the deal.

## PATRIOTISM AND POLITICS.

The temptation to make practical political use of the public opportunities afforded them when they are ostensibly on national and patriotic business at recruiting meetings has apparently proved too strong for certain members of the Borden cabinet recently. Major General Sir Sam Hughes was at Berlin, Ont., Sept. 17th, and delivered a fighting patriotic speech which undoubtedly lost none of its flavor for the people of Berlin when it was accompanied by the promise that he would see that they got a new drill hall in Berlin "after the War is over." Not unlike the Berlin episode was the experience of the people of St. John, N.B., who heard an eloquent and intensely patriotic speech in the interests of recruiting from Hon. J. D. Hazen, Sept. 20th, which also carried added flavor when it was announced immediately afterward in the Conservative press that Hon. Mr. Hazen had found that St. John needed great additions to the warehouses on the Government piers, and that he would see that the work was got under way very shortly. Hon. Robert Rogers, who is never to be outdone when there is promise of Government "benevolence" to be given where it will do the most good, gave the people of Chambly-Vercheres, on the south bank of the St. Lawrence below Montreal, a taste of the same flavor when he addressed a great recruiting rally at Longueuil, Sept. 25th. Mr. Rogers made a fine recruiting speech but he prefaced it with a reference to the troubles of handling the western grain crop through the port of Montreal, which he declared to be congested. As reported in the Montreal Star, Mr. Rogers said: "That port will never be able adequately to respond to the requirements of the west until it has been extended to the south shore—to this particular locality—that it may achieve future and more profitable development."

**HEARTY CONGRATULATIONS.**



The whole Dominion rejoices at the restoration to health of Sir Wilfrid Laurier.

**A CONSERVATIVE TRIBUTE TO THE LIBERAL LEADER.**

THE recovery of Sir Wilfrid Laurier from the effects of the operation which he underwent some weeks ago has brought from the press and public of all shades of political opinion throughout Canada a flood of expressions of gratification and relief. Probably no public man in the history of Canada has ever received so many genuine testimonials of esteem and concern for his welfare as poured in to the bedside of Sir Wilfrid while he was in hospital. Letters, telegrams and cablegrams from all parts of the Empire brought heartfelt messages of sympathy from friends, both personal and political and there was no stint of similar messages from political opponents who have known the Leader throughout his life as always a fair if a hard fighter in the cause of the Party and the principles which he represents. The news of Sir Wilfrid's convalescence brought a similar outpouring of congratulatory messages and press editorials. Of the latter, the tribute of the *Montreal Star*, one of the leading Conservative newspapers of Eastern Canada, may be quoted. The *Star*, in its leading article on October 2nd, said:

"The recovery of Sir Wilfrid Laurier from his tedious experience in the hospital will be a matter for genuine rejoicing throughout the Dominion. Sir Wilfrid is a great, a potent and a striking figure in our public life. Even the temporary incapacity of so important a factor in our national affairs creates

a feeling of uneasiness—a sense of something lacking—which has been happily relieved by Sir Wilfrid's return to health.

"Sir Wilfrid's attitude during the war has been a subject of especial pride to his friends and of comfort and satisfaction to the whole country. Whatever lesser men have said or done, Sir Wilfrid has laid aside all party feeling or manoeuvring during this menacing crisis in our history. He has stood squarely and publicly behind the Government in its preparations to put Canada with the fighting forces of the Empire, and he has raised his eloquent and persuasive voice, again and again, to assist recruiting—even at times of keen physical suffering on his own part. He may be said to have gone straight from the firing-line of the recruiting platform to his hospital bed.

"As a life-long lover of liberty and a devotee of democracy, Sir Wilfrid was constitutionally prepared to fight Prussianism with all his strength. He put the case in a nut-shell at Sherbrooke: "This war is," he said, "a contest between German institutions and British institutions. British institutions mean freedom. German institutions mean despotism. That is why we as Canadians have such a vital interest in this war." At the very outbreak of the war, speaking in the House of Commons, he described the Allied cause as a fight for freedom and democracy against tyranny and autocracy. The whole Canadian people will be glad that so valiant a soldier for constitutional liberty is once more able to bear arms."

## MORE HONORS FOR NATIONALISTS.

### A New Cabinet Shuffle and Judicial Appointments.

**F**URTHER changes in the Borden Nationalist Conservative cabinet, answering a fresh turn in the wheel of Nationalist domination and paying one more instalment of the debt which the Conservative party acknowledges to the Nationalists for having assisted in the "victory" of 1911, took place on October 6th.

E. L. Patenaude, Nationalist, and Conservative organizer for the Province of Quebec, presently the provincial member for La Prairie, was sworn in and given the portfolio of Inland Revenue.

Hon. P. E. Blondin was transferred from the ministry of Inland Revenue to that of Secretary of State.

Hon. Louis Coderre, Secretary of State, was retired to take the more congenial appointment of Judge of the Superior Court of Quebec, succeeding Mr. Justice Tellier, superannuated. Thus one more Nationalist has received the dues of services rendered in 1910 and 1911, and enters the cabinet of the Rt. Hon. Sir Robert Borden, and one more has been safely ensconced in a life job in the judiciary of Quebec.

#### Placations for the Disappointed.

Coincident with the announcement of the cabinet shuffle came the news of the appointment of Mr. L. T. Marechal of Montreal to a judgeship in the Superior Court of Quebec, rendered vacant by the elevation of Judge Pelletier to the court of King's Bench. Judge Pelletier, former Postmaster General, made way in the cabinet for Hon. T. C. Casgrain on October 20, 1914, the same day that Hon. P. E. Blondin succeeded to the place of Hon. W. Bruno Nantel who had been placed in a berth on the Board of Railway Commissioners. Mr. Marechal was a keen contender for the place to be vacated by Hon. Louis Coderre, but it is to be presumed that he and his friends had to be contented with a judgeship.

**Apparently there were not enough Cabinet positions and Judgeships to go around, so Mr. Joseph Rainville, M.P. for Chambly-Vercheres had to be content with promises of wharves and harbor improvements for his constituency.**

Mr. Rainville was a persistent and insistent claimant for cabinet honors, but was apparently placated when Hon. Robert Rogers, Minister of Public Works, visited Longueuil, in the constituency represented by Mr. Rainville, on September 25th and gave indefinite but glowing and specious promises of great Harbor works to be undertaken on the south side of the river by the Government in the near future.

Hon. Mr. Rogers was addressing a meeting that was supposed to be for the purpose of stimulating recruiting, but it will be difficult for the Minister of Public Works to convey the idea that the meeting was for that purpose, especially when it is known that Mr. Rainville was so insistent in his demands to be taken into the cabinet, and was being backed up in his demand by a section of his constituents.

Mr. Rogers worked with Mr. Patenaude in connection with the Chateaugay by-election. He knew Mr. Patenaude's qualifications as an election manager; in fact they coincided very much with his own ideas of "how to win elections." It was very important to Mr. Rogers, therefore, that Mr. Patenaude should be the new man from Quebec in the Borden Cabinet, and to arrange this and placate Mr. Rainville and his friends, a recruiting meeting was arranged at Longueuil and incidentally, of course, came the promises of harbor improvements.

#### Patenaude an avowed Nationalist.

Mr. E. L. Patenaude, the new minister, is classified in the Parliamentary Guide as a Conservative-Nationalist and has been known for many years as a close friend and supporter of Henri Bourassa, the founder and high-priest of the Nationalist propaganda. He has been the chief Nationalist-Conservative organizer in the Montreal district and was the head of the "inside" organization in the Chateaugay by-election of 1912, an election which set a new record for Quebec, if not for the whole of Canada in the extent of the corruption and devious methods practised under the general supervision of Hon. Robert Rogers to keep the seat in the government fold.

As to the identification of Mr. Patenaude as a Nationalist of the Nationalists, there is the evidence of the Arch-Nationalist himself, Henri Bourassa, who in his paper *Le Devoir*, May 27th 1913, quoted Mr. Patenaude as having declared at a Nationalist meeting at St. Remi, in connection with the Navy question, "We have nothing in common with either party."

#### Mr. Blondin's Patriotic Beliefs.

In transferring from the department of Inland Revenue to that of Secretary of State, Hon. Mr. Blondin becomes the minister most closely responsible in state matters. His office is the channel of communication between the Government of Canada and the Governor General as representative of the Crown; he is the minister of exterior affairs; he is the custodian of the Great Seal of Canada and all the confidential documents of the Dominion; also he is the sole judge, under the Naturalization Act, of who shall or shall not be admitted to British citizenship in Canada, as well as the ministerial head of the newspaper censorship in the Dominion. It was the same Mr. Blondin, Nationalist, who spoke at a political meeting at St. Louis de Blandford, Quebec, October 25, 1910, and said:

"You are intimidating the people in waving the British flag and adding that we must contribute always and everywhere to the defense of that protector of our constitutional liberties; but we will not be made to forget that in 1837 it was necessary to bore holes in it in order to breathe the atmosphere of liberty."

It was the same Mr. Blondin who said on the same occasion:

"The English have never done anything for the French-Canadians. We do not owe them anything.—The only liberties which we enjoy have been snatched.—England has sown the world with hatred, quarrels and wars. We have had enough of England and the English."

### The Principles of Nationalism.

In view of the fact that every man affected by the appointments and promotions of the past month is an avowed Nationalist with a record of activity in the organizing and furthering of the Nationalist movement, it may not be out of place to recall just what the Nationalist movement meant and still means. The proof comes from the founder himself, Henry Bourassa, who wrote in his own paper, *Le Devoir*, May 16, 1913, that among other articles of organization of the Nationalist League, were the following:—

(a) No participation of Canada in imperial wars outside her territory.

(b) **To spurn any attempt at recruiting for British troops.**

(c) **To oppose the establishment in Canada of a naval school with the help and for the benefit of imperial authorities.**

(d) Control over our militia and military colleges in time of war as in time of peace and **for the defence of our territory exclusively.** Refusal to grant leave of absence to any militia officer in order that he may take part in any imperial war.

(e) Appointment by the Canadian Government of a Canadian officer as head of our militia."

### Coderre an Active Nationalist.

That Hon. Louis Coderre, now a judge, was part and parcel of the movement is proved also by Mr. Bourassa himself. In the same paper, on May 27, 1913, he tells:

"The second meeting (of the League) took place at St. Henri, (Montreal), **at the invitation of Mr. Louis Coderre, at present Secretary of State.** Similar declarations were made, the same principles were pleaded and the same resolutions endorsed."

Referring to the fact that the Nationalists were opposed not only to the Laurier Naval Act of 1910, but also to the new policy of contribution as advocated by Borden and the Conservatives, Mr. Bourassa proceeded:

"This time it was Mr. Coderre who, in the role of Peter, disowned Mr. Borden. No doubt he must have heard the cock crow when he took up Mr. Monk's portfolio, 18 months later."

### Also Arthur Sevigny, Deputy Speaker.

Mr. Arthur Sevigny, member for Dorchester, and Deputy Speaker in the House of Commons, appointed to take the place of Hon. Mr. Blondin as Deputy Speaker in October, 1914, is another Nationalist, who while he had entered into some part of his reward, was strongly advocated by leading Conservative and Nationalist papers for the place given to Hon. Mr. Patenaude. He is the same

Mr. Sevigny whom Bourassa's *Le Devoir* quoted as having declaimed at Vaudreuil "Away with the red, white and blue rags," and who is quoted in the Canadian Annual Review for 1910 as having, at Tignwick, on October 31, 1910, said: "The Laurier cabinet is a cabinet of Imperialists who want to sacrifice Canada's interests and plunge us into wars with which we have nothing to do. . . . What has England done for you? She has no need of your help. . . . You must protest against helping England in her wars." It was the same Mr. Sevigny, still Deputy Speaker of the House of Commons by the grace of Sir Robert Borden and his Nationalist-Conservative majority, who is quoted in the same authority as having declared at Arthabaska, November 1, 1910: "The Navy belongs to His Majesty. Is that a Canadian Navy? Who is His Majesty? Have we any Majesty here?"

Such are the views, the beliefs and the expressed desires of men whom Sir Robert Borden is compelled to honor with seats at his cabinet board and with rich offices in the gift of the Government because he owes to them his present position by virtue of the unholy alliance of 1910-11.

### Who Should be Interned?

A few days ago it was seriously argued by a Toronto newspaper which is nothing if not an out-and-out supporter of Toryism and the Borden government that Henri Bourassa should be interned as an enemy of the nation because of his attitude since the outbreak of the War. If Henri Bourassa should be interned, is there any reason why he should not be followed into internment by his equally culpable lieutenants and supporters who have been honored with seats at the cabinet board of Sir Robert Borden or with even more sacred places of responsibility in the judiciary?

### TRADES AND LABOR CONGRESS.

The 31st annual convention of the Trades and Labor Congress of Canada, at Vancouver, B.C. during the week of September 20th, proved one of the most profitable in the history of the organization, as in the absence of special controversial troubles in war time the delegates were able to devote themselves wholeheartedly to many of the problems for the discussion of which the Congress is primarily organized.

A notable feature of the Convention was the nearly unanimous vote against a "testing" resolution introduced for the repeal of the Lemieux Industrial Disputes Act. The vote came through the appearance at the Congress of the Minister of Labor, Hon. Thomas Crothers, who addressed the delegates at length in an attempt to win their approval to the present act which he proposed. Briefly, these proposed amendments would put in the hands of the Minister the full power to appoint boards of investigation, and also empower him to decide finally as to whether or not a board should be appointed. The Congress refused to decide without more careful study of the proposal which was therefore laid over for future action.

## EXTRAVAGANCE—DEFICIT—TAXES.

### Liberal "Extravagance" and the Tory Record.

IT was the Honorable W. T. White, Minister of Finance, endeavoring during the last session of parliament to justify his \$330,000,000 budget for the fiscal year 1915-16, who declared with florid oratory:

"I say Mr. Speaker that the late Government were the inventors, the originators, the parents, progenitors and propagators of the most inordinate, reckless, purblind and wilful extravagance that this country or any other British country has ever known."

And yet it has been under the administration of the same Hon. W. T. White, that the total disbursements of the Dominion for three years ending March 31, 1915, since he became Minister of Finance in the Borden Nationalist-Conservative Government, amounted to the record total of \$512,859,957, (exclusive of war expenditure), as compared with a total of \$375,399,105 for the last three years of the administration of the Laurier Government.

The total expenditure in the first three years of Nationalist-Conservative management was just \$137,460,852 more than for the preceding three years for which the late Liberal administration could be held responsible.

#### Foster's Protest in 1908.

It was Sir George Foster, then just plain Hon. George E. Foster, who declared in 1908:

"The rapid pace which has been set and the recklessness of the expenditures that have been undertaken have obliterated all the old rules, all the old lines in reference to expenditure. Whither are we rushing?"

But Sir George Foster has been a member of the Borden Nationalist-Conservative cabinet since 1911; no one knows better than does Sir George that the highest records of expenditure under the late Liberal government have been so far exceeded as to be placed utterly in the shade by the expenditures of the present government of which he is a member; no one knows better than Sir George Foster, Minister of Trade and Commerce, that the trade and commerce of Canada have declined to such an extent as to make it the plain duty of a prudent administration to curtail expenditures. And yet Sir George, who knows all these things, and who "viewed with alarm" the expenditures of the late Liberal government, remains silent when he sees expenditures exceeding revenue by so great a margin that nothing but accumulating debt and increasing taxes face the people of Canada.

#### Premier Borden also Protested.

It was Sir Robert Borden himself, who on the eve of the elections of 1911, in his public manifesto as leader of the Conservative party, declared:

"The increase in what is known as ordinary controllable expenditures of from 36 millions in 1896 to 79 millions in 1911 is proof of extravagance beyond any possible defence and establishes a prima facie case of corruption."

But no one knows better than does Sir Robert Borden that the increase in that same "ordinary controllable expenditure" in the three years of his own government has amounted to over eighty millions, or over twenty-six millions a year, while during the regime of the late Liberal government the increase amounted to less than four millions a year.

#### Does Sir Robert Protest To-day?

The official figures show that in 1912, ordinary controllable expenditure totalled \$98,161,440. In 1913 it rose to \$112,059,537, an increase of \$13,898,097; in 1914 it rose to \$127,384,472, an increase for that year alone of \$29,223,632; in 1915 it had risen to the enormous total of \$135,523,206, an increase for that year of just \$37,361,866. The total increase in the three years of Conservative administration, in the face of falling revenues, was just \$80,483,595, over \$26,000,000 a year. No one has seen or heard any evidence that Sir Robert Borden has made any effort to curb or stop this reckless squandering of public money, although it is presumably in his power as prime minister and master of the administration.

If Sir Robert Borden in 1911, looked upon an increase of \$43,000,000 in "controllable expenditure in fifteen years of Liberal rule as establishing "a prima facie case of corruption," what might Sir Robert Borden be expected to say of an increase of \$80,000,000 in three years under his own Nationalist-Conservative administration?

At the present time, when it has become plain that a heavy new burden must be borne in the shape of interest on our borrowings for war, would it not be a reasonable and logical thing for the people of Canada to demand that the Government curtail its other controllable expenditures? Are they not justified in asking the Government to save much added borrowing at high rates of interest and much added taxation? It could be done if the Government got back to the standard of expenditure in the last few years of the late Liberal Government. And always it must be borne in mind that never before in the history of Canada was there more need for retrenchment and economy. The expenditures under Liberal rule were made in years of unexampled business prosperity; with conditions sadly reversed and every sign pointing to a continued diminishing of trade and revenue, expenditures by the present Government have grown by leaps and bounds.

#### Liberal Expenditures Justified by Revenues.

The only possible excuse the present administration could have had for increased expenditure would be a compensating increase in the business of the country. Such an excuse is absolutely lacking. In view of the criticisms of Liberal expenditures quoted, it is worth recalling just what development occurred in Canada during the fifteen years of Liberal administration from 1896 to 1911. In that

time the population of Canada increased from 4,833,239 to 7,206,643. From 1901 to 1911 the increase in population was 34.17 per cent; as the Canada Year Book says, it was "the greatest in the world." In those fifteen years the immigrants who entered Canada totalled 1,885,531, and a very large proportion of them came well supplied with money and effects. During those fifteen years trade trebled, increasing from \$239,025,360 in 1896 to \$769,443,905 in 1911. Exports increased from 121 millions in 1896 to 297 millions in 1911. Railway mileage increased from 16,270 miles of track in 1896 to 25,400 miles in 1911. The country from end to end was prosperous, unemployment was practically unknown, it was the era of the "full dinner pail." Revenues were buoyant and ample surpluses were shown in every annual statement of the affairs of the country. And yet in spite of the unexampled development of the country and the tremendously growing calls for expenditure of all kinds, the actual increase in total expenditure, from 44 millions in 1896 to 137 millions in 1911, shows an increase of only 63 millions, or at an average rate of about 6 millions a year. This included both "Capital" and "Consolidated" accounts. The first represents money spent on railways, canals, public buildings and public works of a permanent character which are considered permanent assets of the country. The second represents the ordinary year-in and year-out expenses of running the country and is called "controllable" by Sir Robert Borden.

In the fifteen years of Liberal administration "controllable" expenditure increased from 37 millions in 1896 to 98 millions in 1911, a total increase of 61 millions, or at the rate of 4 millions a year. This increase came while trade was doubling and trebling and the population and wealth of the country was increasing by leaps and bounds. And yet it was this increase which Sir Robert Borden designated as "extravagance beyond all possible defence."

#### **Tory Prodigality Despite Falling Revenue.**

Unfortunately it is beyond argument that there has been no particular increase in the development of the country or its business since 1912. If the Borden government seeks excuse for its carnival of increased spending, it cannot find it in the records of those years. Trade, which increased normally for a short time, dropped alarmingly before the war and if it is holding its own now, it is only by reason of heavy exports stimulated by the War. For six months prior to the War imports from which revenue is collected dropped off at the rate of more than one million dollars a month. Immigration dropped from 402,432 in 1912-13 to 384,878 in 1913-14 and to 144,789 in 1914-15. Population, it is admitted, has done no better than remain stationary. Home-land entries fell from 44,479 in 1911 to 33,689 in 1913 and have been dropping off ever since. Railway earnings dropped 13 millions in 1914 and railway extensions have practically ceased. Unemployment, for the first time in many years, became a terribly present problem in 1913 and increased alarmingly.

#### **Conditions Dictated Retrenchment.**

Such were the conditions under which it might surely have been reasonably expected that the

Borden government would have at least kept its expenditures down to the level of what was considered by them "extravagant" in the days of Liberal administration. Surely it might have been expected that the Liberal "extravagant" figures would not be exceeded, if they were not curtailed. But what are the facts?

#### **Records Show Warnings Unheeded.**

During the first year of the Borden government's regime the high-water mark of total expenditure set by the Liberals was exceeded by \$7,314,795; during the second year it was exceeded by \$49,098,965; for the third year it was exceeded by \$45,019,951. A total increase in three years of \$101,433,711 over the standard set in the last year of Liberal administration. An average increase of 33 millions a year. And every dollar could have been saved to the country if the Borden government had kept its spendings down to the level that it termed "extravagance beyond all possible defence" when it was a Liberal government that was doing the spending.

#### **Capital Account Spendings Increased.**

In the last three years of Liberal administration 89 million dollars was spent on capital account—for public works including railways and canals. In the three years of Conservative rule the expenditure under the same head has amounted to \$105,000,000 an increase of \$16,000,000, or an average yearly increase of over five millions. This is exclusive of government subsidies to railway companies. A great part of this increase is chargeable to the Department of Public Works, which under the care-free extravagant administration of Hon. Robert Rogers has increased from eight millions in 1911 to 10 millions in 1912, to 13 millions in 1913, and to 19 millions in 1914.

#### **Railway Subsidies.**

Subsidies to railways reached the extreme limit during the past three years under Nationalist-Conservative rule. In the whole 15 years of Liberal administration, railway subsidies amounted to \$25,129,193. In the three years of Nationalist-Conservative administration the official returns show no less a sum than \$29,163,250 of the people's money thus given to the railway corporations. In 1913 there was \$4,935,507; in 1914 the amazing total of \$19,035,236 and in 1915 \$5,191,507. This takes no account of railway company bonds guaranteed during the three year term, and which may become a liability of the government to be defrayed with still more of the public money.

It should be borne in mind that the figures quoted do not take into account anything in connection with War expenditure. Canada's War expenditure is being paid out of special borrowings in London. Not a dollar of Canadian War expenditure has yet come out of Canadian funds, but the day is fast approaching when interest on these huge borrowings will have to be met and it is against that day that the Borden government should have been preparing by retrenching in every other possible direction so that the burden of War might be that much more easily borne.

## WHERE THE MONEY GOES.

### How the Cost of "Running the Country" Increases.

THE cost of Government in Canada, the ordinary controllable cost of "running the country," as it is usually expressed, has risen from \$12 per head of population in 1911 to \$16.90 for every man, woman and child, in 1915. Nothing in the way of figures could more clearly illustrate how needless have been the increases in expenditure of this kind by the present Government. Increasing totals of expenditure might have been explained and justified if at the same time it could have been shown that there was a corresponding increase in population, in trade and in revenues, and in the business of the country generally. But there is no such explanation and no such excuse for the Borden Government, and the per capita cost of administration shows this most clearly.

#### The Mounting Per Capita Cost.

In 1891, with a population of 4,833,239, the cost of running the country was \$36,343,567, or \$7.50 for every head of population.

In 1901, with a population of 5,371,315, the cost of running the country was \$46,866,367, or \$8.75 for every head of population.

In 1911, with a population of 7,206,643, the cost of administering the country was \$87,774,198, or \$12 for every head of population.

In 1915, with an estimated population of not more than 8,000,000, the cost of running the country was \$135,523,206, or \$16.90 for every head of population.

It is evident that if the same rate of increase continues for the remaining six years of the decennial period the per capita expenditure when the next census is taken will be over \$20. This, remember, has nothing to do with war.

#### Where Did the Money Go?

Where has the money gone? Where did the increased expenditure show in a volume that raised the cost of "running the country" by \$4.90 a year for every man, woman and child in the Dominion since the Borden government took power in 1911?

In order to thoroughly appreciate these increases during the past few years, and to ascertain where saving can be effected, it is necessary to examine the expenditures of the various departments in some detail. The total expenditures of the departments for the year ending March 31, 1915, are not yet available, and it would not be fair to take the estimated expenditures, though those in every case are higher than they were during the preceding year. We shall simply take the expenditures for the fiscal year, 1913-14, and compare them with those for the fiscal year 1911-12.

Taking, first, the non-revenue-earning departments, the following startling comparisons are to be found:

**Public works expenditure on consolidated account increased from ten millions in 1911 to nineteen millions in 1914, or at the rate of**

**84 per cent! (This does not include public works expenditure on capital account, which increased from four millions to ten millions, or at the rate of 150 per cent!)**

Immigration expenditure increased from \$1,364,999 to \$1,893,297, or at the rate of 30 per cent, though immigration was on the decline.

Civil government expenditure increased from \$4,774,678 to \$5,607,794, or at the rate of 15 per cent.

Expenditure on arts, agriculture and statistics increased from \$1,567,021 to \$3,224,779, or at the rate of 106 per cent.

Expenditure on the administration of justice increased from \$1,300,513 to \$1,399,456, or at the rate of 7½ per cent.

Expenditure on fisheries increased from \$843,856 to \$1,229,519, or at the rate of 45 per cent—an increase, again, whose justification must depend upon the results obtained.

Expenditure on quarantine stations increased from \$182,392 to \$220,927, or at the rate of 24 per cent, though why such an increase was necessary, in view of the fact that immigration has not increased during the period, it is hard to say.

Expenditure on Indian affairs increased from \$1,756,565 to \$2,182,470, or at the rate of 24 per cent, though Canada's Indians, if not a decreasing quantity, are at least a fixed quantity so far as their administration is concerned.

Expenditures on penitentiaries increased from \$653,482 to \$910,413, or at the rate of nearly 40 per cent, though there was no such increase in crime or in the number of prisoners in the Dominion during the period.

Expenditures on Dominion police increased from \$82,446 to \$119,892, or at the rate of 45 per cent. Such an increase might have been justified during war times, when many additional men have had to be taken on, but there was no apparent justification for it in 1914.

**Expenditure on labor department administration increased from \$53,399 to \$80,474, or at the rate of 50 per cent. It is for labor to say whether this increase was justified or not.**

Miscellaneous expenditure, which includes a variety of matters, increased from \$769,163 to \$1,109,361, or at the rate of 143 per cent.

And even naval service expenditure increased by 5 per cent!

#### Less Revenue—Costs More to Collect.

Under the head of "Collection of Revenue," further heavy increases during the two years, by no means justified by a commensurate increase in the revenues collected, are evident. The total cost of collection increased from \$28,256,773 in 1911-12 to \$39,084,652 in 1913-14, an advance of nearly 40 per cent. During that period total receipts increased from 136 millions in 1911-12 to 163 millions in 1913-14, or an advance of only about 20 per cent. In 1912 it cost \$20 to collect \$100 worth of revenue; in 1914 it cost nearly \$24 to collect the same amount.

An examination of the expenditures in the revenue-collecting departments proves this. The most important of these is the customs department, for its functions, as is the case with excise department, are almost purely of a revenue-collecting nature.

**The expenditure in the customs department increased in the two years from \$2,443,846 to \$3,849,083, or at the rate of 57 per cent, despite the fact that customs outposts and offices have been organized to a high degree ever since there was a tariff.**

Expenditure on the collection of excise increased from \$755,967 to \$858,163, or at the rate of 13 per cent.

**Post Office expenditure increased from \$9,172,035 to \$12,822,058, or at the rate of 39 per cent.**

Expenditure on railways and canals increased from \$12,330,462 to \$14,935,138, or at the rate of 21 per cent.

Expenditure on trade and commerce has increased from \$158,938 to \$1,805,441, or at the rate of 905 per cent.

Expenditure on the inspection of staples has increased from \$226,894 to \$450,737, or at the rate of 98 per cent.

Expenditure on weights, measures, gas and electric light inspection increased from \$205,224 to \$258,095, or at the rate of 25 per cent.

**What Might have been Saved.**

Even a casual figuring of the growth in the yearly expenditure of the various government departments as shown in the foregoing will indicate that the average increase since 1912 is thirty per cent. How far it has been justified in bettered or increased service in these departments through any increase in business in these years can be safely left to the public to judge. There can be only one opinion.

Prior to 1911, and even after it, it has been a favorite sport of members of the Borden Nationalist-Conservative government to decry the record of the late Liberal administration as one of recklessness and extravagance. But it is quite plain that had the present government not exceeded even the highest expenditures recorded in the days of Liberal government, it would have saved the country, **on ordinary expenditure alone, in the cost of "running the country," no less a sum than \$40,000,000.**

The preachings and the practices of the Borden government are two very different things!

**The Percentage Increase.**

To sum up. The increase in the two years in the departments that spend money but do not earn or collect revenue works out as follows:

Public Works.....	Increase	84	per cent.
Immigration.....	"	30	" "
Agriculture, Arts, Statistics.....	"	106	" "
Civil Government Administration of Justice.....	"	15	" "
		7½	" "

Fisheries.....	Increase	45	per cent.
Quarantine Stations	"	24	" "
Indian Affairs.....	"	24	" "
Penitentiaries.....	"	40	" "
Dominion Police...	"	45	" "
Labor Department	"	50	" "
Miscellaneous Expenditures.....	"	145	" "

In the "revenue earning" or "revenue collecting" departments, where costs should be governed considerably by collections, and where, as is well known, revenues and collections have been falling rather than rising, the increases work out as follows:

Customs.....	Increase	57	per cent.
Excise.....	"	13	" "
Post Office.....	"	39	" "
Railways & Canals	"	21	" "
Trade & Commerce	"	905	" "
Inspection of Staples	"	98	" "
Inspection of weights & measures, Gas & Electric inspection	"	25	" "

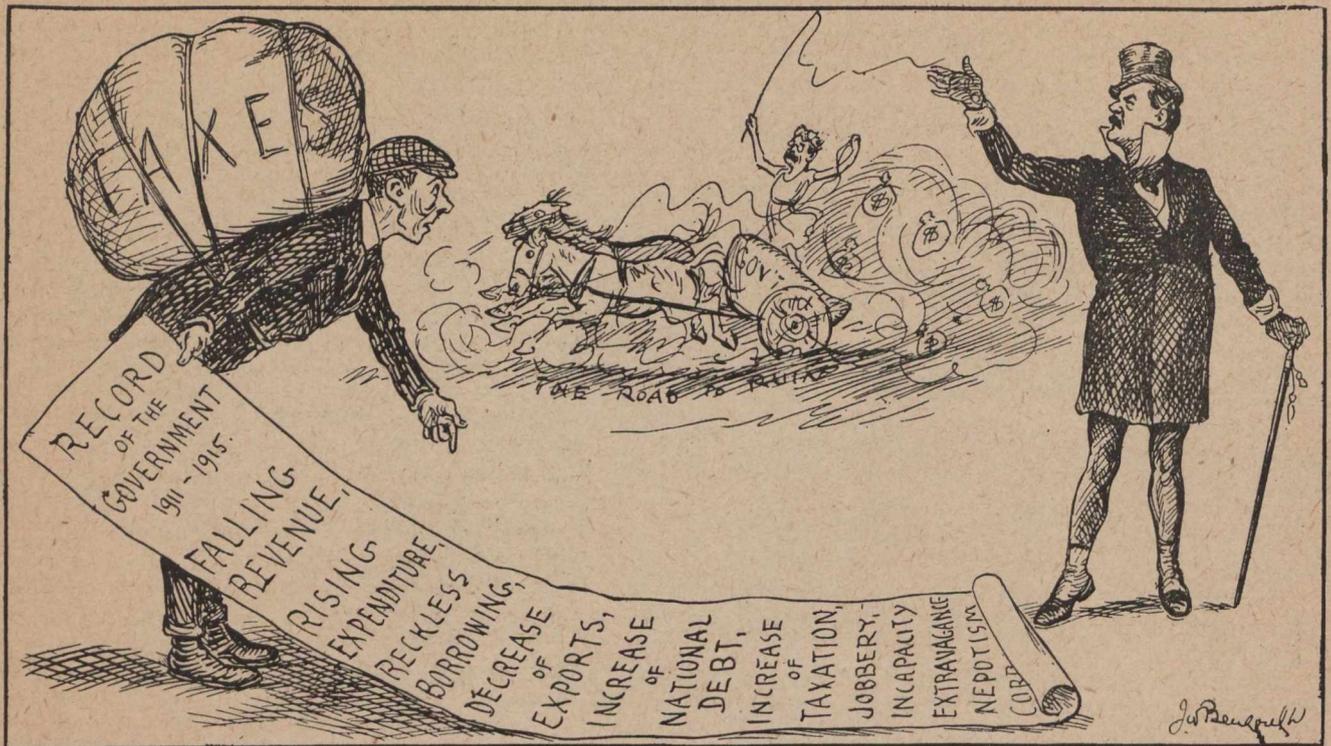
Where is the justification for these increased expenditures?

**PRINCE EDWARD ISLAND ELECTIONS.**

The revulsion against Toryism and the swing toward Liberalism so evident throughout Canada and seen in its full force a few months ago in Manitoba gave the Mathieson Conservative government in Prince Edward Island a close shave for existence in the elections on September 16th. The Conservative majority of 26 in a house of 30, won less than four years ago when only two Liberals were elected, was reduced last month to a bare and still problematical majority of 4. The returns show 17 "straight" Conservatives, 1 Independent Conservative and 13 Liberals elected. Several government candidates succeeded by very small majorities and there are among those elected at least two men who have not been able to see eye to eye with Premier Mathieson and whose course when the house meets will be watched with a good deal of interest.

Strongly entrenched in power, with all the election prestige that the holding of 28 out of 30 seats could mean, and with every help from the Federal government that could be afforded, the Mathieson government barely escaped defeat in a contest which, while it involved many local issues, showed that in the main it was a fight between Toryism and Liberalism. The unprecedented turnover is in keeping with the sentiment that is evident in all parts of the country.

Just prior to the elections in Prince Edward Island there were many indications in British Columbia that the McBride government was on the eve of going to the country and testing the strength of the great wave of popular distrust which has shown itself in the past year. Since September 16th, little has been heard of election in British Columbia in the near future.



MR. MICAWBER WHITE.—“Keep cool, my dear fellow; its all right—something will turn up.”

### A NEW MINISTER.

The shuffle in the Quebec wing of the Nationalist-Conservative government on October 5th was preceded on October 2nd by a quite unexpected addition to the cabinet when Hon. Arthur Meighen, Solicitor General, was sworn in as a Privy Councillor becoming thereby a member of the cabinet without portfolio.

For the present at least, Mr. Meighen will remain an officer of the Crown, which he is by virtue of his position as Solicitor General, and the position in which he finds himself is therefore unique and quite anomalous. As Hon. Arthur Meighen, a member of the council advising the Governor, he can take part in the passing of a council order which would define the duties of Arthur Meighen, solicitor general.

This is quite clear, Chapter 22 of the Revised Statutes of Canada, 1906, the Solicitor-General Act, Section 2, provides:

“The Governor-in-council may appoint an officer who shall be called the Solicitor General of Canada and who shall assist the Minister of Justice in the counsel work of the Department of Justice and shall be charged with such other duties as are at any time assigned to him by the Governor-in-council.”

Several Conservative papers have stated that it is the intention to pass legislation at the next session of Parliament making the post of Solicitor General of full cabinet rank, with the accompanying salary of \$7,000 a year in addition to the sessional indemnity. In order to do this it would be necessary to completely change the present law regarding the duties of the Solicitor General. At present he is an officer or subordinate of the Department of Justice, subject to the orders of the Minister of Justice as well as to

the orders of the Governor-in-council, and it would be manifestly impossible to have two Cabinet Ministers in one Department, the one subject to the orders of the other.

It may be interesting to note that “in law” there is no such a thing as the “cabinet.” Section 11 of the British North America Act, is as follows:

“There shall be a council to aid and advise in the government of Canada, to be styled The Queen’s Privy Council of Canada, and the persons who are to be members of that council shall be from time to time chosen and summoned by the Governor General and sworn in as Privy Councillors and members thereof may be from time to time removed by the Governor General.”

Usually members of the council are the ministers of departments who in this respect are holders of offices of emolument under the Crown and take the oath in this respect; also a member of the Council who is head of a department as a minister is a member of the Council with portfolio. Ministers so occupied form the Cabinet (which is not known in law.)

Mr. Meighen’s legal capabilities were first tested in a large way by the managers of the Nationalist-Conservative party when he was entrusted in 1912 with the framing of the closure act which put the gag of majority power on the Naval debate. It was after the success of this measure in stopping freedom of discussion in Parliament had been demonstrated that Mr. Meighen was given the appointment as Solicitor General with its accompanying salary of \$5,000 a year. His next big job was the preparation and fathering in the House of the Canadian Northern forty-five million dollar bond guarantee bill.

## THE NAVY THAT MIGHT HAVE BEEN.

**STRIKING** testimony to the service which could have been rendered by a Canadian navy, if there had been such a navy in existence at the outbreak of the War, was heard recently from no less an authority than Premier Borden himself. Speaking at a public meeting at London, Ont., September 28th, Sir Robert Borden, in the course of a fine tribute to the work of the British navy since the War began, said:

"But in the days before the ultimate destination of such of the German fleet as was on the high seas was known, before the disaster in the South Atlantic had been avenged in the battle off the Falkland Islands, Canadians knew anxiety. It was not known whether the German fleet was making its way to the Northern Pacific to strike at the coast of our country.

"All that we had at that time to defend our Pacific coast was one Japanese ship, one British cruiser, one Canadian training ship, manned, I am proud to say, by young Canadians taken in most cases from the ordinary walks of life, and two Canadian submarines, also manned by Canadians, who had cheerfully responded to the call when it was made."

In view of this authoritative acknowledgement of the need of naval protection in home waters when War came, and the no less authoritative acknowledgement of the service rendered by what little in the way of a navy Canada had at that time, thanks chiefly to the wrecking of the Canadian Naval policy by the Nationalist-Conservatives, it may not be out of place to recall what that policy would have provided in the way of protection.

### Laurier Naval Policy Would Have Provided 15 Ships Afloat To-day.

The Laurier Naval policy would have given to Canada in 1914 one big cruiser of the "Bristol" class and two torpedo-boat destroyers of the approved "Acorn" type, in addition to the cruisers Niobe and Rainbow and the other smaller war craft in existence as part of the Canadian Navy for patrol service; also there could have been six submarines which it has since been demonstrated could be built in Canada in very short time and which would certainly have been built as submarines had become so important an arm of the British naval service. To-day, there would have been still another big cruiser and at least one more destroyer, even if the emergency of war had not hurried construction and provided more than these.

The official records show that the preliminary advertisement for tenders for vessels for the Canadian Navy was published in July, 1910. No less than 19 firms replied to this preliminary advertisement. As certain qualifications were required, only 13 of these firms were approved, and further restrictions brought down to 10 the number of firms who were supplied with specifications. Of these, seven actually sub-

mitted tenders according to the specifications and accompanied with certified cheques for the usual guarantee deposit.

### Four Cruisers, Six Destroyers.

The official letter calling for tenders, dated February 4, 1911, and signed by G. J. Desbarats, Deputy Minister of the Naval Service, specified:

"Four vessels of the "Bristol" class of the improved "Weymouth" type and 6 torpedo-boat destroyers of the river class of the improved "Acorn" type, are required to be built in accordance with the requirements laid down in the accompanying contract."

"As stated in the condition laid down in the first schedule, the delivery of the first cruiser is required in 3 years from the date of the signing of the contract, and a subsequent cruiser each following year.

"Two torpedo-boat destroyers are to be delivered in 3 years from the date of signing of the contract and an additional destroyer at the end of each subsequent nine months. The whole programme is to be completed within 6 years of the signing of the contract.

### Must be Built in Canada.

"The conditions involve the building of the vessels in Canada and the firm who undertakes the contract must guarantee to establish and equip a shipbuilding and engineering yard in Canada to undertake the work in accordance with the conditions embodied in the contract documents forwarded." May 1st, 1911, was set as the last day for the receiving of tenders.

### Seven firms guaranteed Delivery on time.

Seven responsible firms submitted tenders in accordance with these conditions.

Tender No. 1, agreed to the contract time limit, and while not specifying the place for its plant in Canada, agreed to build in Canada a plant the cost of which they estimated at between \$1,250,000 and \$1,500,000.

Tender No. 2, also agreed to the time limit and undertook to build at Sydney, Nova Scotia, the necessary equipment, including a dock 1000 feet in length, 110 feet in width, with a depth over the sill at high water of 40 feet. This tender offered to accept contract for one cruiser and two destroyers, and others as ordered, but if given the whole contract guaranteed to deliver one cruiser complete inside two years and subsequent cruisers yearly.

Tender No. 3, agreed absolutely to the time limit and named St. John, N.B. as the place at which its plant would be built if it was awarded the contract.

Tender No. 4, agreed to the time limit and stated that if the contract was secured, arrangements had been made to re-open the old Royal Naval Arsenal

at Halifax, N.S., which would be fully equipped and remodelled for the purpose of fulfilling the contract. This tender offered an alternative bid for building at the tenderer's own yards in England.

Tender No. 5, agreed to the time limit and named a site on the St. Lawrence River as the place where it would erect the necessary plant to handle the work.

Tender No. 6, agreed to the time limit and all other stipulations including the building of the ships in Canada, but did not specifically indicate the site of the plant.

Tender No. 7, also agreed to the time limit and all other specifications, including building in Canada, but did not indicate the site to be chosen.

**From the above it will be seen that no less than seven responsible firms, including some of the biggest shipbuilding concerns in the world, were willing to undertake the building of a Canadian Navy, with Canadian workmen, in Canada, and that they were willing to guarantee delivery which would have meant a fighting Canadian Navy at the present time.**

### Submarines built in Canada.

That the thing could be done, despite carping criticism of Tory newspapers seeking to please the Anti-Navy Nationalists, has been proved since the War. It is an open secret that a Canadian shipbuilding yard, completing contracts for an American firm which was not allowed to do the work in its own country, has built and sent to sea a number of up-to-the-minute submarines within the past few months. Press reports tell that four of these submarines travelled under their own power to the Dardanelles and are to-day a part of the glorious Allied fleet, while it is unofficially reported that another of the same Canadian make was responsible for the sinking of the German battleship "Von Moltke."

The contract for Canadian Navy ships, built in Canada, was not let in 1911 because the decision to go to the country on the issue of Reciprocity was reached by the Laurier government before the contracts could have been let and it was deemed best to await the result of the elections. Had the Liberals been returned to power, one of their first acts would have been the letting of the Navy contracts. The result was otherwise, and in obedience to the understanding with the Anti-Navy Nationalists, the Borden government discarded entirely the Canadian Navy programme to which it committed itself as a party in 1909.

### The Scare at the Coast.

That Sir Robert Borden was quite justified in declaring that Canada "knew anxiety" in the early days of the War was proved during the sittings of the Davidson Commission at Victoria in the early days of the present month. One of the witnesses, Mr. F. L. Crawford of the Canadian Bank of Commerce declared the conditions might be described as approaching a panic. Bankers in Victoria sent their gold and securities across to the mainland where it was taken far inland, and citizens of Victoria had motor cars in readiness all over the City to hurry the population away in the event of a bombardment. Sir Richard McBride also testified to the great anxiety and uneasiness felt by all people of the British Columbia coast when German battleships were known to be in Pacific waters and their whereabouts could not be learned and the coast was to all intents and purposes defenseless and practically at the mercy of any strong attack.

### DIARY OF THE MONTH.

1915.  
September.
- 2 **SIR WILFRID LAURIER** at Napanee, Ont., recruiting meeting.
  - 3 **SOUTH VANCOUVER**, (B.C.) (New Riding) **LIBERALS**, in convention at South Vancouver, nominate **CHARLES MacDONALD**.
  - 4 **SIR ROBERT BORDEN**, returning from England, public reception at Montreal.
  - 5 **SIR ROBERT BORDEN** arrives at Ottawa.
  - 7 Political Rally of **NORTH TORONTO CONSERVATIVE ASSOCIATION**, addressed by **W. F. MacLEAN, M.P.**
  - 10 Senator Sir Charles Boucher de Boucherville, K.M.G., died at Montreal.  
**SIR GEORGE FOSTER** and **HON. GEO. P. GRAHAM** at Directors' Luncheon, Toronto Exhibition.
  - 14 **MAJOR GENERAL SIR SAM HUGHES** addresses public meeting at Quebec.
  - 15 **SIR ROBERT BORDEN**, before Canadian Club, Ottawa, address on his trip to England and France.
  - 17 **MAJOR GENERAL SIR SAM HUGHES** at Berlin, Ont., where he gave promise of a new drill hall "when the War is over."  
**CHICOUTIMI** and **SAGUENAY**, (Que.) **LIBERALS**, in convention at Chicoutimi, nominate **Dr. L. N. MICHAUD**, of Herbertville. Convention addressed by **Hon. Chas. Marcell (Bonaventure)**, **Ernest Lapointe (Kamouraska)**, **Lucien Pacaud, M.P. (Megantic)**, and others.
  - 20 **W. Sanford Evans**, chairman of Georgian Bay Canal Commission, appointed chairman of Committee of the Cabinet dealing with the handling of the Canadian Grain Crop of 1915. Committee consists of **Hon. Robert Rogers (Chairman)**, **Sir George Foster**, **Hon. Messrs. Reid, Burrell and Meighen**.  
**31st Annual Convention of TRADES AND LABOR CONGRESS OF CANADA** opens at Vancouver, B.C.
  - 22 **HON. P. E. BLONDIN**, public address at St. Narcisse, Que.
  - 25 **HON. ROBERT ROGERS**, chief speaker at recruiting meeting at Longueuil, Que., made promises of great wharf and harbor works.
  - 27 **SIR ROBERT BORDEN** at Toronto, civic luncheon and public mass meeting.
  - 28 **ANNUAL MEETING** of **NOVA SCOTIA CONSERVATIVE ASSOCIATION** at Halifax. Election of officers, etc.
  - 29 **BAGOT**, (Que.) **CONSERVATIVES**, in convention, nominate **MILTON MacDONALD**.

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