

# THE CANADIAN LIBERAL MONTHLY

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Two Cents

## CHANGING THE TUNE



SIR THOMAS WHITE and  
HON. ARTHUR MEIGHEN

You might have put on your new Programme before we were in  
the middle of the Old Tune. From the *Toronto Telegram*, (Cons.)

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## A LIMITED INQUIRY.

**"What circumstances are there to justify the Government in giving us light upon one part of the operations of the Shell Committee and leaving the rest in darkness? What circumstances justify more concealment and more secrecy?"**

The question quoted is from the speech of Sir Wilfrid Laurier in the House of Commons on April 4th, the day that the full weight of the Government majority in the House was used to vote down the Opposition demand for a full Parliamentary investigation of all the business of the Canadian Shell Committee. The question was echoed by four members of Sir Robert Borden's following in the House when they voted with the Opposition for such an investigation. It has echoed and re-echoed throughout the Press of Canada since the day that Sir Robert Borden announced that a Royal Commission—not a Committee of Parliament—would investigate four specified American contracts which were among those mentioned by Mr. G. W. Kyte in his memorable speech of March 28th. The question has not been answered for the obvious reason that there cannot be a satisfactory answer.

Sir Wilfrid Laurier moved on March 7th for a Parliamentary investigation of the Shell Committee. This has been refused by Sir Robert Borden and his obedient majority. As to the very limited judicial inquiry announced by Premier Borden, Sir Wilfrid has spoken for the Opposition and made it clear that he is quite satisfied with the personnel of the Commission; that his stand against the appointment of the Commission is **because it is a judicial inquiry instead of an inquiry by a Parliamentary Committee.** His reason for this attitude can best be given in his own words, "Because experience has taught us that if you want to probe offences, if you want to go to the bottom of things, a Parliamentary Committee is always preferable to a judicial inquiry."

The Shell Committee, according to statements made in Parliament, awarded contracts amounting in all to over \$300,000,000. The four American contracts which are to be investigated aggregated less than one-tenth of that total. The case made out by the Opposition for an investigation of all the business of the Shell Committee was quite as strong as that regarding the contracts specified.

## CONSERVATIVE WANTS FULL INVESTIGATION.

Hon. Andrew Broder, the veteran Conservative member for Dundas, Ont., and who but a few weeks ago was accorded the honor of being made a privy councillor, is one of the four followers of Sir Robert Borden who believe that there should be investigation of the Shell Committee, and who justified their belief by voting for the motion of Sir Wilfrid Laurier asking for full investigation of all the business of the Shell Committee. On March 29th, the day following the notable disclosures in the speech of Mr. G. W. Kyte in connection with contracts for fuses, Hon. Mr. Broder was quoted in the Ottawa Journal, the recognized organ of the Conservative party in the Capital, as follows:—

"I am getting too near the end of my life," he said, "to be expected to object to holding an investigation into the work of the Shell Committee.

"I went to the Premier and told him that if investigation were decided against I would have to vote against him. He said that if I voted against him it would do him more harm than if almost any other member of the party did so. I replied that I could not alter my view—at my time of life, that I would have to go straight to the end. I would have to vote for inquiry.

"I don't believe the Premier quite realizes what is going on. He doesn't seem to know the situation. The people know what is going on. These are not the days of the Marlborough wars. The people of Canada are on trial for their honesty.

"I told the Premier it was no use suggesting to the Imperial Government that they should ask for an investigation. They can't ask the Canadian Government for an investigation. We are the people to deal with this."

The three other Conservative members who voted with the Opposition in demand for full investigation were W. F. Maclean (south York, Ont.), Paul E. Lamarche (Nicolet, Que.) and A. A. Mondou, (Yamaska, Que.)

## A LIBERAL PROPOSAL.

A favorite theme of Government speakers in the House of Commons and of editors who support the Borden Government through thick and thin is the argument that in criticising the ordinary expenditures of the Government and in urging economy in all public business, the Opposition seeks only to embarrass the Government and make political capital. A truer idea of the motives actuating the Opposition may be gathered from a statement made in the House of Commons on February 25th by Hon. Rodolphe Lemieux, when he said:—

"I am going to appeal to the better instincts of the Prime Minister and the Minister of Finance. I am appealing in this grave national crisis, not to the spoilsmen but to the Prime Minister, the Minister of Finance and the Minister of Trade and Commerce. I say, let us have a round table conference in the House of Commons. Let us form a committee, and let us apply the pruning knife to the scandalous expenditures of the various departments of the Government. When our sons are bleeding on the plains of Flanders; when our wives and sisters are straining every nerve on behalf of the Patriotic Fund, the Red Cross, the Serbian Fund, the Belgian Fund, the Polish Fund, it is a scandal for the Government to maintain such a high rate of expenditure."

## THE ADDED DUTY ON APPLES

Here we have an example of pure and unadulterated protection. Protection gone mad.

The Finance Minister in his first presentment of tariff changes said:—

“We regard this duty as indispensably necessary for the preservation of the apple growing industry of Canada and particularly that of British Columbia which has been most seriously affected since the outbreak of War.”

All through the several discussions the Minister never varied from this stand. It is not a duty for revenue, in fact the attainment of its object to shut out American apples from the Prairie Provinces and coast towns of the Pacific Ocean will obviously reduce the Customs revenues of Canada, and this at a time when revenue is so needed that new taxation is introduced on a large scale.

### Provincial Politics in it?

This action seems to be the result of a visit of a British Columbia delegation. A suggestion was made in the discussion in the House of Commons that the prospect of an early Provincial election and the dire extremity of the Conservative Provincial Government have contributed to this action just now—the fact which developed in the British Columbia Legislature that the expenses of this delegation were borne by the British Columbia Government out of the Provincial funds, lends plausibility to this view.

There is no evidence that apple growers from any other section of Canada made the demand at this time. The Minister's own words show it to be a purely British Columbia question.

### Is Protection Needed?

What are some of the facts in connection with apple growing in British Columbia? British Columbia apples have successfully competed in the United States, in Eastern Canada, in England and in Australia. Production in British Columbia has increased from 210,000 boxes in 1910 to 780,750 in 1915 by a steady rate of progression. Ten years ago their apples had hardly made a showing on the Canadian Prairies, now they are for sale almost everywhere. The year before last the Shipping Federation sent 30,000 boxes to Australia, and 11,000 to South Africa. They now have an order for 40,000 boxes for Australia this year. Their export of last year must have been profitable or they wouldn't undertake to send out more this season. The British Columbia fruit growers have made a name for grading and packing, in which indeed they lead all Canada. They have commenced to organize on the lines of their American competitors. Further co-operative organization bringing the consumer in the Prairie and other Canadian markets closer in touch with the grower would undoubtedly be more potent in commanding the market than this effort to force their product on incensed and reluctant consumers.

### Western Farmers Show Resentment.

A good proof of what they are up against is the resolution passed at the annual meeting of the Canadian Council of Agriculture, in which the new tax was declared to be:—

“An unrighteous attempt to exploit the prairie farmer for the benefit of British Columbia fruit land speculators, fruit growers, and middlemen, and we advise the farmers of Alberta, Saskatchewan and Manitoba, that if this becomes law and they are to be taxed in this manner, they pay these taxes into the federal treasury by purchasing imported apples rather than pay the same duty together with profit thereon to British Columbia land speculators, fruit growers and middlemen.”

In a discussion in the Provincial Legislature of British Columbia on an item in the estimates to pay expenses of this fruit delegation, this resolution was referred to and doubt was expressed by several members, as to the advantages to be reaped from this increase of duty, because as they said, while now they had the market in the North West, this duty was likely to lead to the entire elimination of their fruit from the North West. What the Finance Minister proposes to accomplish is command of the apple market among the farmers and people of the Prairie Provinces for the benefit of the British Columbia fruit growers. The sense of injustice in the Prairie Provinces will result in no benefit to the British Columbia fruit grower, but an improved demand for his American rival's product and a more complete command of this market by the latter.

### Consumers Affected Have Good Case.

Let us examine the justice of this feeling on the part of the people of the Prairie Provinces. They have been asking removal of duties on their wheat and its products to secure wider opportunities of sale in the United States. They have been refused, they believe, with the result that their receipts for the sale of their wheat have been reduced. They did not ask any impediment to trade which would impose any burden on their fellow citizens,—simply greater freedom for their sales. Now their neighbors ask an impediment to trade which will force them to pay out of their restricted receipts a higher price for a prime necessity of healthy living, and this is granted as hastily as their own request was refused. They say, too, that they alone of all the people of Canada, will have to pay this bill for the benefit of the British Columbia fruit grower. Surely if it is in the best interest of the Dominion to support the British Columbia fruit growing business, it would be only fair, they say, to spread the cost over the whole of Canada and not take it only out of people of the Prairie Provinces.

With these feelings surely their resentment is very human, and naturally, if not in the highest Christian spirit of turning the other cheek when smitten on the one—will not redound to the advantage of the British Columbia fruit grower when he offers his product next season.

It is protection of the narrowest, it is local discrimination, it is class legislation and therefore is wrong and cannot succeed.

## THE BUDGET

The Budget for the fiscal year 1916-17 was brought down in the Commons on February 15th, by Hon. Sir Thomas White, Minister of Finance. The Minister estimated expenditure for the year at \$165,000,000 of which \$135,000,000 would be "ordinary" and \$30,000,000 on capital account, in addition to estimated war expenditure of \$250,000,000. Revenue for the year he estimated at \$170,000,000. The new taxation proposed may be summarized briefly:

A tax of 25% on profits in excess of 7% on the capital stock of incorporated companies; this tax not to apply to insurance companies or companies engaged in agricultural enterprises; exemption from this tax for all companies with a capital stock of less than \$50,000, except companies making war munitions or war materials.

A tax of 25% on profits in excess of 10% on the capitalization of firms, individuals, partnerships and associations.

These taxes to take effect on all profits from August 4th, 1914, and to remain in force until August 3rd, 1917. Companies with head offices outside Canada to pay tax on their profits in Canada. Companies already paying special war taxes under the new taxation of 1915 to be exempt from the 1916 taxes to the extent of the war taxes so paid.

Only two changes were made in the Customs Tariff—an increase of 50 cents per barrel in the duty on apples, from 40 cents to 90 cents, and a duty of a half cent per gallon on refined petroleum and oils other than illuminating or lubricating oils. This tax on oil, the Minister estimates, should produce an added revenue of \$500,000.

The new budget has been vigorously criticized on several important points, not only by Liberal Speakers in Parliament, but by the press generally and by leading business men of the Dominion. This criticism has proved so well grounded that it has resulted in important amendments to the formal Bill providing for the new taxation, when it was brought in to the House of Commons.

Mr. A. K. Maclean (Halifax), the first Liberal speaker in the Budget debate, stated the Opposition criticism of salient details of the new proposals of the Minister of Finance, as well as of the general financial policy of the Government during the year. His case can be given here only in brief summary:

### FAVORABLE BALANCE OF TRADE.—

The excess of exports over imports, estimated to amount to \$200,000,000 for the fiscal year 1915-16, and which is the first favorable balance in the history of Canada, must not be regarded as normal or likely to continue. It was produced by two outstanding causes, the enormous export of war materials to the Allies in Europe and the unprecedented grain crop of Canada in 1915. It is generally conceded that the exportable grain crop for 1916 cannot equal in proportions that of 1915; neither should we rely too much upon the continuance of war supply exports. The abnormal conditions of 1915 are liable to rapid change, and soon we may be confronted with changed conditions.

### DOMESTIC WAR LOAN.—

All Canada is proud of the success of the War Loan of \$100,000,000 even if the conditions were unusually favorable because of the enormous crop and the favorable trade balance. It is subject, however, to the criticism that too much of this loan was subscribed by the banks and large financial institutions and too little by the people themselves from their savings. This was the

first opportunity that ever came to Canada to encourage national thrift and investment among people of small means, but these were not properly encouraged to subscribe. The uniform basis of the subscriptions by the banks gave them the appearance of having been made involuntarily. It was not in the real sense a popular loan and no proper effort was made to make it so.

### THE ALLEGED SURPLUS.—

The Finance Minister's statement that the year 1915-16 shows a surplus of \$45,000,000 of revenue over ordinary expenditure must be taken in the light that if all domestic or civil expenditures, including capital, are considered, there is a nominal surplus of only \$5,000,000; when war expenditure is considered there is really a deficit of \$125,000,000. The surplus of \$45,000,000 is a fallacy and a delusion. Ordinary expenditure was not reduced, the added revenue came from the pockets of the people and not from the Government. The gross revenue was the highest in the history of Canada, but unfortunately our total ordinary expenditure also almost reached the highest mark. If a so-called surplus of \$45,000,000 was gratifying, how much more gratifying would be a surplus of \$75,000,000 or \$80,000,000, which would have been quite possible had the Government practised such economy in expenditure as war conditions called for.

### THE WAR TAXES (Tariff) OF 1915.—

Undoubtedly the War Tariff produced considerable revenue. It is regrettable that we have such scanty information in respect to its actual results. We were promised by the Minister of Finance in his last Budget speech that the Trade and Navigation returns would contain the result of the War Tariff rates, but no such information has been supplied. However, it may be said that the 7½% tax ON ARTICLES FORMERLY FREE produced probably three-fourths of the additional revenue. The effect of the surtax of 7½% upon the general tariff rates gave little if any gain to revenue, AND IT UNDOUBTEDLY RESTRICTED TRADE.

### REAL NET GAIN PROBABLY VERY SMALL.—

On account of the high prices ruling on almost all commodities, the increased tariff rates added much to the cost of importations. Thus the cost of raw materials, largely imported for the manufacture of war materials, was greatly increased. It added to the cost of war materials we purchase for use in Canada as well as to the amount we must pay to Great Britain for our proportion of materials used by Canadian troops overseas. So, while we received some additional customs revenue it was paid out again, and more perhaps, and consequently we were little better off. In this respect the statistics do not disclose the full facts, and it is difficult to estimate the net results. There were drawbacks (refunds of duty when materials were re-exported) which will probably amount to six or seven million dollars. Therefore it is fair to say that the added 7½% to the general tariff yielded practically no revenue, while it restricted trade.

### CANADA'S FINANCIAL POSITION.—

The total deficit for the year ending March, 1915, was \$104,647,520, including some \$60,000,000 of war expenditure; for 1916 the year just ending, it is figured by the Minister of Finance that the deficit will be \$125,000,000 caused altogether by war expenditure, while for the year 1916-17 he estimates a deficit of \$245,000,000 also caused by an estimated war expenditure of \$250,000,000. This means an addition to the public debt for these three years of \$485,000,000. The total public debt would thus be \$825,000,000 at the end of March, 1917. This means an increase in the interest charges on the debt from \$12,893,000 in 1914 to the estimated amount of \$39,649,000 in 1917. The interest charge, if expended next year, will be about 40% of our total receipts from customs and excise in 1915.

### NEW ESTIMATES VIOLATE PUBLIC OPINION.—

The estimates are objectionable and inexcusable in that they do not show sufficient reduction. Ordinary expenditure is estimated at \$158,958,000, the largest in our history. There is an increase of \$16,000,000 in interest on public debt, and there are other increases and miscellaneous reductions leaving an estimated net increase for ordinary expenditure of over \$8,250,000 for the year. The Government suggests that much of the money voted will not actually be spent. If that is the intention, such votes have no right place in the Budget. The Government have no right to ask Parliament to vote money which they will not likely spend. The Minister of Finance estimates actual ordinary expenditure at \$135,000,000. Even this is excessive.

### GOVERNMENT SHOULD PRACTISE ECONOMY IT PREACHES.—

The estimates are indefensible and Parliament should not be asked to vote them. Only ten years ago our ordinary expenditure was only \$67,000,000 for a year. Why not get back to something like that basis. If we did, our estimates could be something like \$100,000,000 instead of \$158,000,000, after making ample provision for an increase of \$28,000,000 in the interest and pension accounts since that date. This could be brought about by rigid economy in civil expenditures, the elimination altogether of unnecessary capital expenditures and the prevention of waste in war expenditure. In this time of war, as never before, there is the opportunity for such reforms. But instead past practices are followed, and the revotes in the estimates, catering only to the demoralizing system of party patronage, are the best proof that the Government fears to face its duty.

### WASTEFUL EXTRAVAGANCE IN ADMINISTRATION.

The Post Office department presents a notoriously discreditable record for the past two or three years and has turned a handsome yearly surplus in years previous to 1914 into a deficit so great that a strict accounting would undoubtedly show a loss of \$5,000,000 in its operations for the year ending March, 1916. The only apparent reason is that patronage has increased operating expenses, because revenue has not decreased. The Dominion Lands branch of the Interior Department shows a deficit of \$800,000, the second deficit since 1885, and this in spite of lessened work due to falling immigration. The vote of \$3,304,000 for this department for 1916-17 should be a million dollars less. The Immigration Department shows a similar record, with a vote of \$1,574,000 with practically no immigration during war time, while the cost of the department in 1912-13, when 300,000 immigrants were received, was practically the same. The Department of Public Works shows an even worse record, because this is one department that could most easily show retrenchment. Public Works expenditures, apart altogether from capital outlay for permanent work, increased from \$8,621,431 in 1910-11 to an estimated total expenditure of \$16,000,000 for 1915-16 and for 1916-17 a vote of \$18,685,000 is asked for. These are but samples of the reckless extravagance which pervades all the departments.

### TAXATION OF BUSINESS PROFITS.—

The great objection to the taxation of profits, as proposed, is that it is a tax upon business and not upon accumulated wealth or the income proceeding from accumulated wealth. At best it can be but a temporary expedient, and the country might as well settle down now as later and work out some comprehensive system of taxation which will afford the additional revenue required. The application of the proposed taxation, as outlined by the Minister of Finance, is open to grave criticism. The principle that it should be retroactive, dating back to the time of the commencement of War is dangerous and may work grave injustices to those who may have paid out the profits to be taxed. The basis of taxation also threatens serious inequalities. If the capital stock of a company is to be taken as the basis on which taxation is to be applied, many companies with small paid up capital but large turnover would be

hard hit, while others with large capitalization, much of which might represent pure inflation and not actual capital used in business, would have little taxation to pay or might escape taxation altogether. In this respect the new taxation proposal is in effect a premium upon improper methods of industrial finance and industrial inefficiency. Also the proposal to take away from War contractors a large portion of their profits on War business is really a confession that they have been allowed to make undue and unfair profits. Instead of resorting to so doubtful a method of exacting restitution by taxation, the Government should never have allowed these unjust profits. Let us pay just prices for War supplies. Canadian business has had to look to the United States recently for capital for necessary business extensions; it is to be feared that a tax on business such as this will discourage the flow of capital from the United States.

### Criticism met by some amendments.

In the course of the ensuing debate a number of new points of weakness in the Budget proposals were uncovered by Opposition speakers and on March 3rd, Sir Thomas White announced a number of important amendments which, while not altering the broad basis of his proposals, met many of the criticisms levelled at the proposed application of the new taxes. Thus, Sir Thomas announced that the retroactive provision would be altered so that taxation of profits would date from January 1, 1915, instead of the day of the outbreak of the War; that provision would be made to prevent "watered-stock" corporations escaping their just share of taxation by giving the Minister of Finance discretionary power to decide what actual capital was employed in actual business, while corporations and partnerships doing large business on small original capital would be protected from undue or unfair taxation by treating their unimpaired reserves or capitalized profits as actual capital for the purpose of taxation.

Mining companies are to be treated as a distinct class, owing to the obvious fact that any mine has a certain limited amount of ore and therefore its capital diminishes as the ore is taken out. Special provision is therefore made for mining companies, whereby the Minister of Finance shall have discretion to determine what proportion of yearly profits may be subject to the war tax.

The amendments to the original proposals of the Minister of Finance lend added weight to one of the chief criticisms of the whole budget scheme, which is that it leaves altogether too much to the discretion and the judgment of the Minister and the officials charged with the machinery of levying the tax. A clear cut, legal and unescapable basis of taxation must always be preferred and must necessarily be more acceptable to the people at large than one where the application of the tax must be subject to the decisions of men who may or may not be subject to the pressure of special pleading or the exigencies of party affiliations. In the same way, weight is added to the criticism that the collection of the new taxes will necessarily mean the employment of an army of new tax collectors, each of whom will automatically become a new civil servant, working and "pulling strings" in every direction to make his new job a permanency. The experience of the past three or four years indicates that they may become a permanent addition to the civil service list.

## A ROYAL COMMISSION

### Limited Inquiry into Shell Committee Contracts Yielded by Borden Government.

A limited inquiry into certain specified contracts made by the Canadian Shell Committee has been yielded by the Borden Government and a Royal Commission composed of Sir William Meredith, Chief Justice of Ontario, and Hon. L. P. Duff of the Supreme Court of Canada has been designated by Sir Robert Borden. The Commission is expected to commence its hearings at an early date.

The announcement of this inquiry followed close on serious allegations made by Mr. G. W. Kyte, M.P. (Richmond, N.S.) in the course of a speech on Tuesday, March 28th, in the debate on the motion of Sir Wilfrid Laurier for a Parliamentary investigation of the business of the Shell Committee. Mr. Kyte broke considerable new ground in his memorable speech and added much to the arguments advanced earlier by other Liberal speakers in support of a full Parliamentary investigation. The Premier chose, however, to take special cognizance only of information given by Mr. Kyte in regard to certain specific matters, and announced on Thursday, March 30th, two days later, that the investigation by Royal Commission would be confined to contracts for fuses given to the International Arms & Fuse Company and the American Ammunition Company, to a contract with the Edwards Valve Company of Chicago for cartridge cases and an alleged contract or negotiations with the Providence Chemical Company of St. Louis for large supplies of picric acid. Premier Borden also quoted the Order-in-Council appointing the Commission as authorizing the Commission to inquire into such other matters connected with the Shell Committee as might be referred to them by Order-in-Council. The contracts named, it will be noted, were all with United States companies.

The statements made by Mr. Kyte may be summarized here in brief as follows:—

#### Startling Charge by Mr. Kyte.

On the 25th day of May, 1915, the American Ammunition Company was incorporated in the State of Virginia with an authorized capital of \$1,000,000, but with only a subscribed capital of \$1,000. The company was authorized to manufacture shells, cartridges, fuses, etc. One E. B. Cadwell became its president.

About two weeks later—June 9th—the International Arms and Fuse Company was incorporated in the State of New York, with an authorized capital of \$1,500,000, but with a subscribed capital of only \$3,000. The officials of this company were dummies, and, as in the other company, they were authorized to manufacture munitions of war.

Neither of the foregoing companies were in possession of a plant but were organized for the purpose of entering into fuse contracts with the Canadian Shell Committee.

On June 10th three Americans, E. B. Cadwell, head of the newly organized American Ammunition Company, one B. F. Yoakum, of New York, and E. W. Bassick, of Bridgeport, Connecticut, all connected with the two above mentioned companies—

sat down and signed a formal agreement by which they apportioned among themselves as commission one million dollars of money they were to get from the Canadian Shell Committee for a contract for 2,500,000 fuses they had been promised by General Bertram, head of the Committee.

Nine days later—on June 19th—they got contracts for \$22,000,000 worth of fuses.

The contracts were awarded to the two companies.

The day the contracts were awarded them the Shell Committee advanced them the sum of \$2,166,000. Within four months they received an additional cash advance of \$1,083,300—making a total advance of \$3,250,900.

One of the men who came in on the million dollar division, B. F. Yoakum, of New York, latter associated himself with a partnership formed between Col. J. Wesley Allison, General Hughes' friend, and Eugene Lignanti, leader of the orchestra in the Ritz-Carlton Hotel, Montreal.

Lignanti, the orchestra leader, apparently retired from the partnership with Allison and Yoakum with an arrangement that he was to receive fifty thousand dollars.

There were other contracts with the Shell Committee out of which Lignanti was to receive \$266,000, and Allison and Yoakum \$1,000,000 to divide between them.

The two companies—those incorporated in New York and Virginia, agreed to the speedy delivery of fuses, but in spite of the three million dollars advanced them by the Shell Committee, practically no fuses were furnished by them for nearly a year.

Of the five million fuses contracted for, only 445,000 had been delivered up to the fourteenth day of the present month.

#### Contracts Ratified by Sir Sam Hughes.

Mr. Kyte also showed that not only did these "mushroom" American companies get these immense contracts when they had no plants with which to manufacture fuses; not only did they get advances in actual cash of something over three million dollars before they ever made a move to make a fuse, but that the whole arrangement was with the knowledge and consent of Sir Sam Hughes. This was proved by the production of a certified copy of the contracts with the Shell Committee, which contained the following:

I, Major General the Honourable S. Hughes, Minister of Militia and Defence of the Dominion of Canada, in accordance with authority duly conferred upon me by His Britannic Majesty's Government, hereby ratify and confirm on its behalf the foregoing agreement between the American Ammunition Company, Incorporated, and the Shell Committee.

Dated at Ottawa, Canada, this 19th day of June, A.D. 1915.

SAM HUGHES, Major General,  
Minister of Militia and Defence.

Witness:

John F. Orde.

It will be observed that Sir Sam Hughes signs the document as "Minister of Militia and Defence" and "in accordance with authority duly conferred upon me by His Britannic Majesty's Government" and it is apparent that without this ratification by the Minister of Militia in the Borden Government, the contract would have been without effect. Surely this is patent proof of the dishonesty of the oft-repeated Government argument that the Government had no authority over the Shell Committee nor any responsibility for it.

### Allison was Hughes' "Life-Long Friend."

It is important to keep in mind just who Col. J. Wesley Allison is, and who he represented. According to Sir Sam Hughes, he was not only the personal friend and confidant of the Minister of Militia but he was **the accredited agent and employee of the Department of Militia and Defence and therefore the accredited agent of the Government.** Speaking in the House of Commons on January 26th, 1916, Sir Sam Hughes said in referring to the arrangements he had made for the purchasing of war munitions just after the outbreak of hostilities:

"I secured the services of a life-long friend of mine, Col. J. W. Allison, a man in whom I have had life-long confidence, a man who is the soul of honor and kindness."

Again, on March 2nd, Sir Sam said:

"I have associated for 25 or 30 years with Colonel J. Wesley Allison in various matters."

### Allison's Record before Davidson Commission.

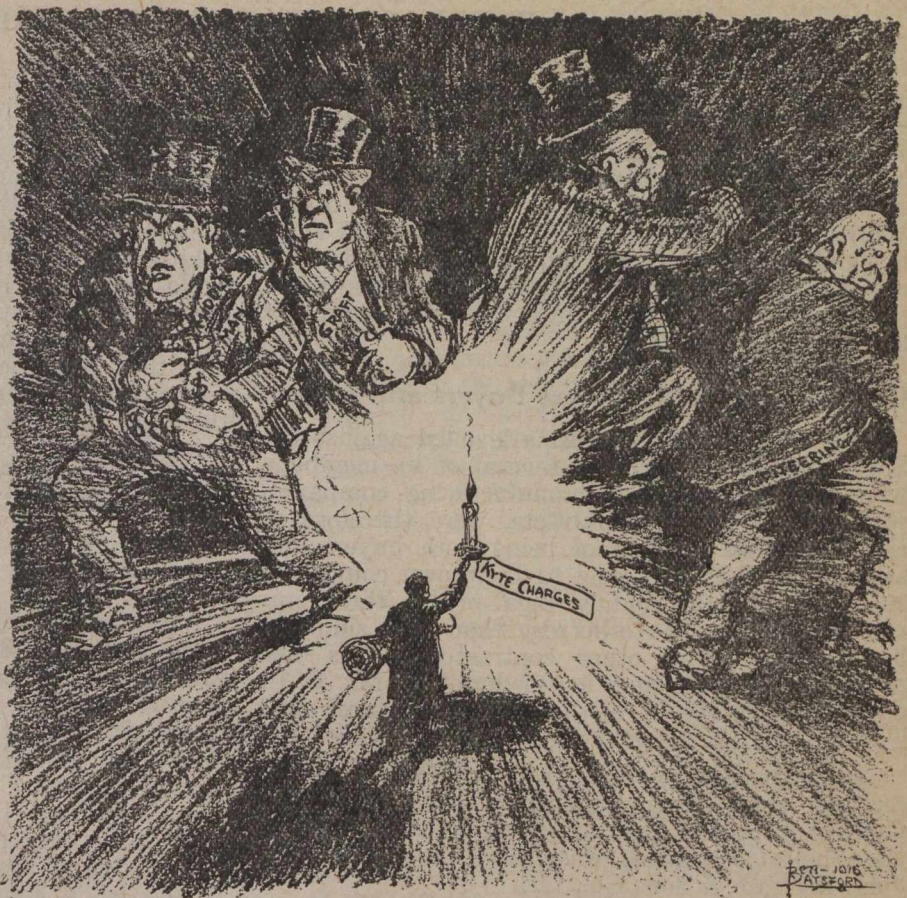
Col. J. Wesley Allison is the man who declared on oath before the Davidson Commission in Ottawa on January 3rd, 1916, that he had had nothing to do with the purchase or sale of automatic pistols or revolvers bought by the Militia Department from the Colts Patent Fire Arms Co. Sir Sam Hughes, on the same day, affirmed that Col. Allison "had nothing to do with the pistols in any sense whatever." But two days later, in the same room before the same Commission, Mr. H. W. Brown, Director

of Contracts for the Militia Department, actually produced the order-in-council showing that the pistols were bought from Col. J. Wesley Allison on the strength of a report from the Minister of Militia, and other evidence showed that the Government paid for every one of these pistols \$4 more than the prevailing wholesale price to the trade in Ottawa. And before the same Davidson Commission it was demonstrated by the evidence of Mr. Samuel M. Stone, Vice-President of the Colts Patent Fire Arms Company of Hartford, Conn., that Col. J. W. Allison was an agent of that company, negotiating orders for firearms and other munitions with different governments.

Col. J. Wesley Allison, the life-long friend of the Minister of Militia, who is named in the documents produced by Mr. Kyte as sharing in the profits of the fuse contracts placed by the Canadian Shell Committee in the United States is thus shown to be not only the life-long friend of the Minister of Militia, but the accredited agent of the Department of Militia and Defence at the same time that he was the accredited selling agent of the Colts Company.

*"There are men in this country, like the hon. member for Dundas (Mr. Broder) to whom the one consideration at this time is the success of the War. These men have cheerfully made all the sacrifices that were demanded of them, and they have the right, I contend—and this is the basis of the motion which I present to the house—to have an account of every dollar taken out of the treasury and for every drop of blood shed on the battlefield."*

Sir Wilfrid Laurier, House of Commons, April 4, 1916.



One drop of ink will darken a glass of water; one shaft of light may illumine a dark cave.

## SHELL CONTRACTS IN CANADA

The refusal of the Borden Government to grant an investigation into the work of the Shell Committee except as regards certain American contracts has added rather than detracted from general interest in the volume of evidence adduced by Opposition speakers in support of the formal motion of Sir Wilfrid Laurier for an open investigation. A summary of some of the more important points brought out in the debate in the House of Commons in the past month will indicate once more the weight of the charges made.

### Committee Members Were Buyers and Sellers.

One of the chief criticisms levelled against the Shell Committee was that several of its members, who were interested in manufacturing companies which received huge contracts, were therefore in the anomalous position of being both buyers and sellers, and that in giving to their own companies such contracts at unduly high prices, the Committee could not do otherwise than give similarly high prices to all other contractors. This was proved beyond the question of doubt by Mr. F. B. Carvell in his speech in the House on March 7th. The information he gave may be summarized:

John Bertram & Sons, Ltd., of Dundas, Ont., received contracts amounting to over \$1,300,000. General Alexander Bertram, who was Chairman of the Shell Committee, was Vice-President of the John Bertram & Sons Co., Ltd.

The Canadian General Electric, of which Mr. G. W. Watts is head, received contracts of over \$1,000,000. Mr. Watts was a member of the Shell Committee.

The Electric Steel & Metals Company of Welland, of which Mr. E. Carnegie is Secretary-Treasurer got contracts for some \$1,800,000. Mr. Carnegie was also a member of the Shell Committee.

The Nova Scotia Steel Company, of which Col. Thomas Cantley is the head, secured orders of all kinds amounting to over \$15,000,000. Col. Cantley was also a member of the Shell Committee.

The Universal Tool Steel Company, a company known to be owned and controlled by Mackenzie & Mann got orders amounting to some \$1,700,000 and Mr. Carvell adduced proof to show that they received their orders through the intervention of Sir Sam Hughes himself.

Mr. Carvell proceeded to show that the records of the Shell Committee indicated that political influence had much to do with the awarding of contracts and instanced particularly the case of the Sheet Metal Products Company of Toronto, which received contracts amounting to some \$300,000. He found that the President and Secretary of this company was Hon. A. E. Kemp, a Minister without portfolio in the Borden Government, who is Chairman of the War Purchasing Commission.

### Prices for Shells were Abnormally High.

Mr. Carvell then dissected the prices paid by the Shell Committee in the early months of its work.

Taking the price for 18-pound shrapnel, which Sir Sam Hughes said was placed first at \$8.55 by the experts of the Militia Department "with the assistance of machinists and large steel manufacturers," he showed that this same shell was bought by the Militia Department previous to the War for \$3.15 from the British firm of Armstrong, Whitworth & Co. Proceeding to the 4.5 high-explosive shells, he quoted the statement by Sir Sam Hughes that the Shell Committee had paid in Canada for these shells \$10.45 for the first lots, and that the price in England at the same time was \$10.33. Then he showed from the details of the price paid for the first lots of shells that the price paid by the Shell Committee was not \$10.45 but \$13.37. Sir Sam Hughes had added that later on, in December, the price for these shells was \$7.45.

### Sir Sam's Prices were Inaccurate.

Mr. Carvell showed that at that date the actual price paid was \$8.95, just \$1.50 more than the Minister of Militia said. Again, Sir Sam had said that the highest price ever paid for 4.5 forgings was \$4.25, while the price in England was 18s. 6d., or \$4.50. Mr. Carvell showed that in February, 1915, the Shell Committee paid \$5 for \$180,000 of these forgings. Later on, Sir Sam had said, the price for these forgings dropped to \$2.95. Mr. Carvell found that ten days after the Shell Committee let a contract for 4.5 Howitzer shells to Drummond, McCall & Co., who sublet the contract in the United States, the Shell Committee gave contracts to a company represented by one of their members, not at \$2.95 but at \$4.25. Proceeding to a number of other types and sizes of shells, Mr. Carvell showed that the prices quoted by Sir Sam Hughes were equally inaccurate and that in every case the actual prices paid in Canada were higher than the English prices quoted by the Minister.

### Deliveries Less than Claimed.

As to the quantities of shells actually manufactured and delivered, Mr. Carvell took the statement of Sir Sam Hughes that "since the beginning of the business the Canadian Shell Committee has turned out in Canada 22,000,000 shells," which he answered with the deliberate statement:

"I want to say that they have not turned out 8,000,000 shells; they have given contracts for 22,000,000, but they have not turned out half that quantity. The Minister can figure it out and he will find that I am away above the mark when I put it at 8,000,000."

Summing up his argument that the prices paid by the Shell Committee were such that investigation was called for, Mr. Carvell stated that while he was convinced that shrapnel shells could be contracted for in Canada at \$1.35, if the orders could now be given, he found that the average price paid by the Shell Committee for the 5,500,000 shells delivered was \$3.50 each.



## THE LIBERAL POSITION ON THE NAVY.

On March 13th, 1916, in the course of a debate on the Canadian Naval Service, Sir Robert Borden referred to a secret communication which he alleged had been shown to the Leader of the Opposition, Sir Wilfrid Laurier. He gave the impression that this communication contained grounds for believing that an emergency existed, and that with a knowledge of its contents the Liberal Leader and the Canadian Senate were lacking in patriotism when they refused to enact, without reference to the people, the emergency contribution of \$35,000,000 asked for by the Government in the session of 1912-13.

If, as Sir Robert Borden would have the public believe, he and his Government had secret knowledge of the dangers which threatened the Empire at that time, how does the Government defend its position in having failed to ask Parliament to vote the monies needed in accordance with the suggestion made to the Government by Sir George Ross, the Leader of the Liberal Party in the Senate at the time the Senate added to the Bill the Government introduced a clause that it should not go into effect until approved by the people. Here are the words of Sir George Ross which set forth the exact position of the Senate and of the Liberal Party with reference to the Contribution Bill proposed by the Government:

"Now that leads me to consider my first objection to this Bill, namely that it is unnecessary as under the Laurier Act of 1910, all that is proposed to be done under the Bill before us and much more can be done for the defence of the Empire. In the first place the Naval Bill provides for a contribution of only thirty-five millions (35,000,000), a very generous contribution which we would cheerfully vote if no other consideration were involved. UNDER THE LAURIER ACT OF 1910, NOW IN FORCE, ANY NUMBER OF MILLIONS COULD BE CONTRIBUTED BY PARLIAMENT IF SO DISPOSED. WHY THEN HARASS PARLIAMENT WITH A BILL WHICH IS NOT REQUIRED FOR EMERGENCY PURPOSES AND WHICH IS NOT AS EFFECTIVE AS THE ACT OF 1910. If the hon. gentlemen are sincere in their efforts to meet an emergency, let them withdraw the Bill now before us, and submit to the House a supplementary estimate for ten or fifteen millions for the speedy construction of battle-ships, wherever they can be built, and then, from year to year, ask Parliament for such additional sums as may be necessary for their completion, according to the practice of parliament in regard to all larger appropriations. . . . We stand now where the House of Commons stood then (in 1909), and we consider ourselves bound by that resolution. I DO NOT KNOW THAT A SINGLE SENATOR WOULD OBJECT IF IT WAS PROPOSED, IN THE REGULAR AND PARLIAMENTARY WAY, TO DO THAT. May I say more, the Bill provides that this money shall be applied in the construction of a certain number of ships. That could be done under the Act of 1910. I am informed that it is the intention to construct three battleships under this Bill. If hon. gentlemen or the government of the day wanted four or five, they could build them wherever they pleased under the Act of 1910.

"IF THERE BE AN EMERGENCY HON. GENTLEMEN CAN MEET IT WITHOUT THIS BILL JUST AS WELL AS WITH IT. IF THIS BILL SHOULD BE REJECTED BY THE SENATE, NEXT DAY THEY CAN BRING DOWN A SUPPLY BILL APPROPRIATING EVERY DOLLAR WHICH THIS EMERGENCY BILL PROVIDES, AND MUCH MORE; AND WE WHO SUPPORTED THE ACT OF 1910, AND BELIEVE IN IT, WOULD BE BOUND TO SUPPORT ANY REASONABLE GRANT SO PROVIDED. I do not say any extravagant grant. All that is necessary is the permission of His

Royal Highness, concurrence in Committee of Supply, and presentation of the Bill to the Senate. What does the admiralty say on that question?"

With this direct pledge before him and his Government, what ground has Sir Robert Borden left to stand on, if, as he pretends, the Government had knowledge of an emergency in 1913 and refused to bring in a Bill to meet that purpose under an Act that was already upon the statutes?

Either the Prime Minister did not believe in an emergency and was trying to deceive the Canadian people when he said that an emergency existed, or he did believe in an emergency and, notwithstanding the constitutional means presented to him of meeting it effectively with the unanimous consent of Parliament, referred to sacrifice Canada's honor and Imperial interests in the most terrible of situations, rather than sacrifice his alliance with the Nationalists and risk the loss of their political support. Which alternative does the Prime Minister prefer?

## THE GOVERNMENT AND THE OPPOSITION.

"If this Government will conduct the affairs of the country fairly and honestly, along proper lines, and with the highest ideals in view, they will receive from the Opposition the utmost possible consideration at this time. If on the other hand they disregard these ideals; if they sink to lower levels; if they are guilty of mistakes or acts of malfeasance, they may expect criticism; they will receive it, and have no right to complain of it.

"Let me suggest to them a very ready way of relieving themselves of a good deal of criticism. Let them abolish the patronage system in the Militia Department in regard to war expenditures; for it is the case only a Conservative can sell supplies to the Militia Department. The people of this country will find their ideals rudely shattered if that continues to be the practice of the honorable gentlemen opposite. After all a time will come when these men who have the patronage will not be able to expect from other men, actuated by the highest ideals the highest form of sacrifice in this war. My honorable friends, who are so sensitive to criticism, can settle that difficulty by simply declaring that they will do as is done in Great Britain; that they will tell the party heelers and the men who want to control the distribution of favors in this, that or the other constituency, that the nation is in too serious a position for them to potter with dealings of that kind. Let honorable gentlemen take this opportunity of doing away with that system forever in Canada."

(Mr. E. M. Macdonald, Pictou, N.S., House of Commons, Jan. 24th, 1916.)

All quotations used in the Canadian Liberal Monthly are from original or official documents. In many cases official copies of such documents are available and wherever possible single copies will be supplied on application to The Secretary, Central Liberal Information Office, Ottawa

### SIR SAM'S LAPSE OF MEMORY

In the course of the debate in the Commons on the Dominion Shell Committee, Mr. F. B. Carvell, M.P., on March 7th referred in some detail to a company known as the Universal Tool Steel Company. He showed that it had been but recently organized, that it had received orders from the Shell Committee amounting to some \$1,735,000, and drew attention to the fact that its officers were men at the head of the Canadian Northern Railway, including Sir Donald Mann, President, F. H. Phippen, Secretary-Treasurer and Sir William Mackenzie, Director.

Mr. Carvell added the plain statement:

**"This firm got those contracts with the assistance of the Minister of Militia."**

The Minister of Militia, General Sir Sam Hughes, was absent from the House at the moment, but returned within a few minutes, when Mr. Carvell repeated the reference. Sir Sam responded promptly:

**"I never heard of the name of the firm in my life until the present moment."**

Mr. Carvell advised the Minister of Militia to go back to his office and look up his correspondence, and then come back to the House and tell what he knew of the Universal Tool Steel Company and its contracts.

The House of Commons met again on Thursday, March 9th. Sir Sam Hughes was not present. It developed that he had left Ottawa that same morning en route to New York, and this in spite of his declaration on Tuesday that he was ready and anxious to reply to all of Mr. Carvell's charges in connection with Shell contracts. In face of the announcement that the Minister of Militia would cross the Atlantic before returning to Ottawa, Mr. Carvell had no option but to proceed with his reference to the matter, which he did in the following language:

**"I have just a word to say to my hon. friend the Minister of Militia. I notice that he is absent this afternoon, but I suppose that somebody will represent him. I have charged that there were politics in this thing. I go behind no man's back to say so. I charged it six weeks ago; I charged it on Tuesday; I**

**charge it now. When I asked the Minister of Militia what he had done regarding the Universal Tool and Steel Company, he said, with characteristic impetuosity and absolute disregard of the fact: 'I never heard of that company in my life.' I said: Did you not? Look up the correspondence that you had with General Bertram regarding this company on February 18th last, and then tell me whether or not you know anything about this company. The Hon. Minister himself is not here, and, to show the House that I am not bluffing, I will read the letter. I hope that the gentleman who is to follow me has been furnished with a copy of that document, so that he will know whether or not I am giving to the House and to the Country the facts as they are. The letter is as follows:**

February 18th, 1915.

Col. Bertram,  
Drummond Building,  
Montreal, Que.

Universal Tool Steel Company, Toronto, were verbally given order for 200,000 shells. I am assured heavy financial liability incurred, upwards of \$150,000 Financial arrangements cannot favourably be completed until definite written order is given. Please look fully into it and complete at earliest date.

(Sgd.) SAM HUGHES.

**"The president of the Universal Tool Steel Company is Sir Donald Mann, of the Canadian Northern Railway Company. I am not allowed—I do not know that I should want to do it if I were allowed—to express my opinion as to the memory or the belief of the Minister of Militia in this matter. But, Sir, we can all do this mentally."**

Mr. Carvell did not rest his case there. He offered more proof if it were necessary. He said that if the letter he had quoted was not sufficient to refresh the memory of the Minister of Militia, he would refer him to another letter, written by Sir Sam Hughes to General Bertram, Chairman of the Shell Committee, on February 21st, 1915, in which Sir Sam referred to Sir Donald Mann in connection with the Universal Tool Steel Company

### GOVERNMENT FINANCE

REVENUE AND EXPENDITURE ON ACCOUNT OF CONSOLIDATED FUND.	Month of March, 1915.	Total, 12 Months to 31 March 1915.	Month of March 1916.	Total, 12 Months to 31 March 1916.
<b>REVENUE:</b>				
Customs.....	\$ 7,066,497 14	\$ 75,479,336 99	\$ 9,978,138 88	\$ 97,954,119 81
Excise.....	1,508,651 75	21,367,682 45	2,106,564 00	22,215,712 44
Post Office.....	993,244 27	12,589,460 26	2,493,874 06	18,165,213 97
Public Works, including Railways and Canals.....	1,230,346 72	13,072,114 63	1,514,595 30	21,527,907 95
Miscellaneous.....	843,230 30	9,190,328 04	806,686 93	11,385,714 47
<b>Total.....</b>	<b>11,641,970 18</b>	<b>131,698,922 37</b>	<b>16,899,859 17</b>	<b>171,248,668 64</b>
<b>EXPENDITURE, Ordinary.....</b>	<b>7,589,548 35</b>	<b>117,190,246 07</b>	<b>8,922,456 90</b>	<b>107,730,367 42</b>
<b>EXPENDITURE ON CAPITAL ACCOUNT.</b>				
War.....	8,495,158 10	46,574,587 11	24,032,296 76	134,650,640 26
Public Works, including Railways and Canals.....	1,732,026 50	36,063,877 21	1,435,361 34	32,749,339 97
Railway Subsidies.....		4,630,273 69		1,400,171 42
<b>Total.....</b>	<b>10,227,184 60</b>	<b>87,268,738 01</b>	<b>25,467,658 10</b>	<b>168,800,151 65</b>

## QUESTIONS AND ANSWERS IN PARLIAMENT.

### War Expenditure by Departments.—

February 28th.—Hon. P. E. Blondin told Mr. A. K. MacLean (Halifax), that apart from war expenditures by the Militia Dept., between April 1st, 1915 and Jan. 31st, 1916, various amounts totaling \$1,890,267 had been spent on war account by other departments of the Government. The chief items were: Dept. of Justice \$1,218,643; Post Office Department \$272,372; Dept. of Railways and Canals \$125,027; Public Works Dept. \$76,000; Finance Dept. \$73,428. The Naval Service Dept. spent in that time \$5,280,568.

### Price of Militia Remounts.—

February 28th.—Sir Sam Hughes told Mr. J. H. Sinclair, M.P. (Guysborough) that the average price paid for horses for use of the Canadian Forces from the opening of the war until March 31st, 1915 was \$162.53 each.

### Returned Soldiers in Civil Service.—

March 1st.—Hon. P. E. Blondin told Hon. Rodolphe Lemieux, that nineteen soldiers had been given employment in the various branches of the Civil Service, outside of the Department of Militia and Defence in which 260 returned soldiers had been given employment.

### The Population of Canada.—

March 1st.—Sir George Foster told Mr. J. A. C. Ethier (Two Mountains) that the total population of Canada is 7,206,643; that the male population is 3,821,995; that the male population from ten to nineteen years inclusive is 706,155; from 20 to 29 years inclusive is 756,349; and from 30 to 39 years inclusive 568,214; that according to the above statistics the proportion of the male population from 19 to 40 years which would remain in the country after the recruiting or enlisting of 500,000 men in Canada would be 62%.

### Supply of War Horses in Canada.—

March 2nd.—Sir Sam Hughes told Mr. W. F. Kay, M.P. (Missisquoi) that the Government has on hand at the present time for military purposes 1,769 horses, which are at the various headquarters throughout Canada; that it is not the intention of the Government to buy any more horses for military purposes during the present year, and that the Canadian Government has not purchased horses for military purposes outside of Canada.

### M.P.'s on Military Service.—

March 9th.—Sir Robert Borden told Mr. J. J. Hughes (Kings, P.E.I.), that the Government was informed that up to the end of the present fiscal year Members of Parliament in the United Kingdom, serving with the Forces, draw their sessional indemnity and also their service pay, but that they were also informed that Premier Asquith has announced his intention of introducing a resolution which would provide that no Member of Parliament, serving with the Forces can draw both indemnity and service pay; as to similar action by the Government of Canada, the subject is under consideration.

### Farm Laborers from United States.—

March 20th.—Hon. W. J. Roche told Mr. W. A. Buchanan, M.P. (Medicine Hat), that the Govern-

ment has undertaken to assist in bringing farm laborers from the United States into Canada, and has placed advertisements in 5,500 newspapers in the United States for that purpose, and has also arranged with the railway companies for a one-cent per mile rate for farm laborers from the international boundary to destination; that in determining the number of men required for farm labor in Canada, the Dominion Government is accepting the estimates of Provincial Governments as to the demands for farm help.

### Travelling Expenses of the Minister of Militia.—

March 27th.—Hon. W. E. Kemp (Acting Minister of Militia) told Mr. Michaud, M.P. (Victoria, N.B.) that since August 1st, 1914, the Department of Militia and Defence has paid out for Major-General Sir Sam Hughes, travelling expenses of all kinds \$10,502.74, special trains \$4,583.67, and civil government contingencies \$500.

### War Supplies—Hay and Oats.—

March 29th.—Hon. A. E. Kemp (Acting Minister of Militia), told Mr. W. A. Buchanan, M.P. (Medicine Hat) that the Militia Dept. had purchased in Alberta 995 tons of hay at an average price of \$18.70 per ton and 30,175 bushels of oats at an average price of 68½¢ per bushel.

### Canadian Overseas Forces.—

March 30th.—Sir Robert Borden told Hon. Chas. Marcell, that up to the present time the total enlistment in Canada has been 290,000 of all ranks, making no reduction on account of casualties; in Great Britain and at the Front there are approximately 112,000; in Canada there are approximately 125,000; casualties of every description number 22,000, and wastage 21,700, making a total of 290,000; that the total expenditure for war purposes was \$187,000,000 to the end of February, 1916; that the Government had always taken pains to ascertain the views of the Imperial authorities, particularly the views of the War Office before deciding on the number of men to be enlisted in Canada; that the time required to raise the balance of 500,000 Canadians cannot yet be foreseen as reasonable regard must be had for the necessities of agriculture and other industries.

## DIARY OF THE MONTH

1916.

March.

- 1 MANITOBA LEGISLATURE passes unanimous resolution in favor of FREE WHEAT.
- 2 OPENING OF BRITISH COLUMBIA LEGISLATURE. ANDREW BRODER, M.P. (Dundas) and DAVID HENDERSON, M.P. (Halton), appointed to Privy Council.
- 4 PROVINCIAL BY-ELECTION, VICTORIA, B.C., H. C. Brewster, Provincial Liberal Leader, elected by majority of 2,397 over Hon. A. C. Flummerfelt (Conservative), Minister of Finance.
- LINCOLN (Ont.) CONSERVATIVES, annual meeting at St. Catharines.
- 5 HON. R. ROGERS at recruiting meeting, Toronto.
- 9 SIR SAM HUGHES leaves Ottawa for New York, en route to England.
- 11 PEEL (Ont.) LIBERALS, annual meeting at Brampton. CARLETON (Ont.) CONSERVATIVES, meeting at Stittsville, decides to await decision of Government re by-election for vacancy caused by resignation of W. F. Garland before holding nominating convention.
- 13 MANITOBA TEMPERANCE ACT, referendum results in vote of 48,936 for and 25,293 against the Act. Majority, 23,643.
- 14 SASKATCHEWAN LEGISLATURE PROROGUES.
- 16 QUEBEC LEGISLATURE PROROGUES.
- 18 WEST YORK (Ont.) LIBERALS, annual meeting at Weston.
- 19 HON. A. MEIGHEN at recruiting meeting, Toronto.
- 22 HON. RODOLPHE LEMIEUX, address before Congress of Railway Engineering, Chicago, on "Canada and the Anglo-American Entente."
- 25 WEST YORK (Ont.) CONSERVATIVES, annual meeting at Weston.

## THE MONTH IN PARLIAMENT.

1916.  
March.

- 1 **FLAX INDUSTRY IN CANADA**, motion by S. F. GLASS (E. Middlesex), discussion by J. E. ARMSTRONG (E. Lambton), D. SUTHERLAND (S. Oxford), J. G. TURRIFF (Assiniboia), W. A. BUCHANAN (Medicine Hat), WM. WRIGHT (Muskoka), HON. J. D. HAZEN. Motion agreed to.—**SHIPPING ACT**, amendment re Coasting Laws, second reading moved by J. D. SINCLAIR (Guysborough).—**RAILWAY ACT**, amendment re Transportation of Grain, third reading, bill passed.—**SUPPLY**, Dept. of Interior.
- 2 **WAR TAXATION**, discussion (Ways and Means) on proposed amendments.—**SUPPLY**, Dept. of Militia & Defense: Statement by SIR SAM HUGHES, discussion by F. B. CARVELL (Carleton, N.B.), G. W. KYTE (Richmond, N.S.), G. H. BRADBURY (Selkirk), D. D. MCKENZIE (Cape Breton N.), W. M. MARTIN (Regina), F. F. PARDEE (W. Lambton), and others.
- 3 **SUPPLY**, Dept. of Agriculture.
- 6 **PROBITION OF INTOXICATING LIQUORS**, motion by H. H. STEVENS (Vancouver), seconded by HON. CHAS. MARCIL (Bonaventure), discussion by W. G. WEICHEL (N. Waterloo), LEVI THOMPSON (QuAppelle), C. J. THORNTON (Durham), J. J. GAUTHIER (St. Hyacinthe), JACQUES BUREAU (Three Rivers).
- 7 **SHELL CONTRACTS**, motion for Enquiry by SIR WILFRID LAURIER, discussion by SIR ROBERT BORDEN and F. B. CARVELL (Carleton, N.B.).
- 9 **SHELL CONTRACTS**, discussion continued by F. B. CARVELL and R. B. BENNETT (Calgary).—**SUPPLY**, Dept. of Railways and Canals, (Hudson Bay Railway, Port Nelson Harbor, Welland Canal, etc.).
- 10 **GRAIN ACT**, amendment for Relief of Congestion, bill introduced by SIR GEO. FOSTER.—**VANCOUVER HARBOR**, motion to amend present Act by HON. J. D. HAZEN.—**SUPPLY**, Dept. of Labor, Technical Training of ex-soldiers, discussion by E. W. NESBITT, (N. Oxford), HON. F. OLIVER, E. M. MacDONALD (Pictou), J. H. BURNHAM (W. Peterborough), S. F. GLASS (E. Middlesex), HON. T. W. CROTHERS, D. D. MCKENZIE (Cape Breton N.).
- 13 **SOLDIERS' PENSIONS**, motion by E. M. MacDONALD (Pictou), discussion by HON. F. OLIVER, E. W. NESBITT (N. Oxford), A. THOMPSON (Yukon), S. F. GLASS (E. Middlesex).—**CANADIAN NAVAL SERVICE**, motion for return by E. M. MacDONALD, discussion by HON. J. D. HAZEN, HON. WM. PUGSLEY, SIR ROBERT BORDEN, W. F. CARROLL (Cape Breton S.), O. J. WILCOX (N. Essex).
- 14 **GRAIN ACT**, amendment for Relief of Congestion, discussion by SIR GEORGE FOSTER, HON. F. OLIVER, W. E. KNOWLES (Moose Jaw), LEVI THOMPSON (QuAppelle), J. G. TURRIFF (Assiniboia); bill reported.—**SHELL CONTRACTS**, formal charges by HON. WM. PUGSLEY, speech by HON. ARTHUR MEIGHEN.
- 15 **NEW CUSTOMS TAXATION**, Duty on Apples and Oil, discussion by SIR THOMAS WHITE, MICHAEL CLARK (Red Deer), W. E. KNOWLES (Moose Jaw), D. SUTHERLAND (S. Oxford), R. F. GREEN (Kootenay), W. A. BUCHANAN (Medicine Hat), H. H. STEVENS (Vancouver), J. M. DOUGLAS (Strathcona), J. G. TURRIFF (Assiniboia) G. E. McCRAANEY (Saskatoon), J. E. ARMSTRONG (E. Lambton), HON. F. OLIVER, A. K. MacLEAN (Halifax), F. H. SHEPHERD (Nanaimo), HON. GEO. P. GRAHAM.
- 16 **MUNITIONS CREDIT TO IMPERIAL GOV'T**, statement by SIR THOMAS WHITE—**PROPOSED ADDITIONAL LOAN OF \$75,000,000**, discussion in committee by SIR THOMAS WHITE, W. F. MacLEAN (S. York), HON. R. LEMIEUX, E. M. MacDONALD (Pictou), MICHAEL CLARK (Red Deer).—**THE BUDGET**, New Taxation, discussion continued by SIR THOMAS WHITE, SIR WILFRID LAURIER, A. K. MacLEAN (Halifax), W. S. LOGGIE (Northumberland, N.B.), A. B. COPP (Westmoreland) HON. GEO. P. GRAHAM and others.
- 17 **THE BUDGET**, New Taxation, discussion in committee continued by E. M. MacDONALD (Pictou) J. G. TURRIFF (Assiniboia) R. F. GREEN (Kootenay), HON. F. OLIVER, H. H. STEVENS (Vancouver), F. B. CARVELL (Carleton N.B.) and others.
- 20 **PROHIBITION OR RESTRICTION OF INTOXICATING LIQUORS**, bill to extend provincial powers introduced by HON. C. J. DOHERTY.—**ST. JOHN VALLEY RAILWAY**, motion for return by F. B. CARVELL, discussion by HON. R. ROGERS, HON. WM. PUGSLEY, P. MICHAUD (Victoria N.B.), A. B. COPP (Westmoreland), O. TURGEON (Gloucester).—**PROHIBITION BY PROVINCES**, motion by J. J. HUGHES (Kings, P.E.I.), discussion continued by A. H. McLEAN (Queens, P.E.I.).—**ABOLITION OF CAPITAL PUNISHMENT**, motion by R. BICKERDIKE (Montreal, St. Lawrence), second reading of bill, discussion by H. H. STEVENS (Vancouver), HON. G. P. GRAHAM, HON. C. J. DOHERTY, motion for second reading negatived.
- 21 **GRAIN ACT**, amendment for Relief of Congestion, bill amended to meet objections of Opposition, bill passed.—**DOMINION LOAN OF \$75,000,000**, bill passed.—**THE BUDGET**, Taxation of Profits, discussion in committee.
- 22 **REBUILDING OF PARLIAMENT BUILDINGS**, statement by HON. R. ROGERS, discussion by SIR WILFRID LAURIER, SIR ROBERT BORDEN, HON. WM. PUGSLEY and others.—**SUPPLY**, Post Office Department.
- 23 **ST. PETERS (Man.) INDIAN RESERVE**, motion re titles by HON. W. J. ROCHE, discussion by HON. F. OLIVER, HON. A. MEIGHEN, HON. WM. PUGSLEY, HON. C. J. DOHERTY, SIR WILFRID LAURIER—**VANCOUVER HARBOR COMMISSION**, bill passed.—**SUPPLY**, Dept. of Interior, discussion re **DOMINION LANDS** by HON. F. OLIVER, J. G. TURRIFF (Assiniboia) and others. Discussion re **IMMIGRATION**.
- 24 **SUPPLY**, Dept. of Justice, discussion re Kingston Penitentiary by J. W. EDWARDS (Frontenac), A. B. COPP (Westmoreland) and others.
- 27 **EXPORT OF NICKEL**, statement re prohibition of export by SIR ROBERT BORDEN—**TECHNICAL EDUCATION**, motion by HON. R. LEMIEUX, discussion by HON. T. W. CROTHERS, A. VERVILLE (Labor, Maisonneuve), J. H. BURNHAM (W. Peterborough), S. F. GLASS (E. Middlesex), G. W. KYTE (Richmond, N.S.) R. B. BENNETT (Calgary), E. W. NESBITT (N. Oxford), HON. R. ROGERS—**PROHIBITION OF INTOXICATING LIQUOR**, resolution by H. H. STEVENS (Vancouver), discussion by R. B. BENNETT (Calgary), A. L. DAVIDSON (Annapolis), W. M. MARTIN (Regina), P. A. SEGUIN (L'Assomption), HON. C. MARCIL, J. W. EDWARDS (Frontenac), J. G. TURRIFF (Assiniboia), J. J. HUGHES (Kings, P.E.I.), G. E. McCRAANEY (Saskatoon), amendment by R. B. BENNETT, carried, 66 to 46.
- 28 **SHELL CONTRACTS**, debate on motion of SIR WILFRID LAURIER for Investigation, continued by F. F. PARDEE (W. Lambton), W. A. BOYS (S. Simcoe), G. W. KYTE (Richmond, N.S.), and SIR THOS. WHITE.
- 29 **THE BUDGET**, New Customs Taxation, bill reported from Committee, discussion by HON. G. P. GRAHAM, HON. WM. PUGSLEY, HON. F. OLIVER, R. F. GREEN (Kootenay), M. CLARK (Red Deer), W. M. MARTIN (Regina), J. G. TURRIFF (Assiniboia), SIR THOS. WHITE and others—**SASKATCHEWAN JUDGES' SALARIES**, third reading, discussion by SIR WILFRID LAURIER, HON. R. LEMIEUX, HON. C. J. DOHERTY—**SUPPLY**, Dept. of Mines.
- 30 **SHELL CONTRACTS**—SIR ROBERT BORDEN announces **ROYAL COMMISSION** to enquire into **FUSE CONTRACTS**—**PROHIBITION OF INTOXICATING LIQUORS**, motion of H. H. STEVENS, as amended by R. B. BENNETT, agreed to, 103 to 15—**THE BUDGET**, New Customs Taxation, bill passed—**SUPPLY**, Dept. of Fisheries.
- 31 **INSURANCE COMPANIES' INVESTMENT BILL**, discussion by SIR WILFRID LAURIER, SIR THOS. WHITE, W. F. MacLEAN, HON. WM. PUGSLEY and others—**SUPPLY**, Dept. of Fisheries, Dept. of Interior.

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