

War Contract Scandals

as investigated by the
Public Accounts Committee
of the House of Commons
Ottawa, 1915

Also the purchase of

Boots

as investigated by the
Special "Boot Committee"
Appointed by the House of Commons
Ottawa 1915.

INDEX.

	Page.
Public Accounts Investigation.....	5
Horses.....	8
Drugs, Bandages and Medicine.....	16
Binoculars.....	19
Submarines.....	21
Bicycles.....	24
Shield Shovels.....	25
Motor Trucks.....	26
House-wives.....	30
Burning of Clothing.....	30
Premier's Statement.....	31
Loss to the Country.....	34
Flannel, service and cotton shirts.....	35
Forage Caps.....	35
Under-wear.....	35
Soldiers' Uniforms.....	35
Saddles.....	36
Motor Cycles.....	36
Canvas Shoes.....	36
Oliver Equipment.....	36
Overshoes.....	36
Razors.....	36
The Patronage Maggot (Article appearing in the Ottawa Citizen, March 24th, 1915).....	37
 BOOTS	 39

No Tenders, No Competition--

GOVERNMENT PURCHASING SYSTEM LOOSE, IRREGULAR AND ILLEGAL

PRACTICE CONTRARY TO REGULATIONS

"IT WAS WORSE THAN THAT: THEY WERE NOT IN COMPLIANCE WITH THE ACT."—*The Auditor-General of Canada, before the Public Accounts Committee, March 17, 1915, verified his letter of Dec. 4, 1914 to Militia Department, complaining that war goods amounting to over \$1,000,000 had been bought WITHOUT ORDERS-IN-COUNCIL AS REQUIRED.*

TORY PATRONAGE SYSTEM COMPELLED USE OF MIDDLEMEN

"I saw Colonel Jones, an officer of the Militia Department. He said that the Government "WOULD NOT DO BUSINESS DIRECT WITH "OUR COMPANY—We were prepared to do business direct if the Government saw fit to do "business with us AS WE DO IN OTHER COUNTRIES—The prices we charged Powell (the middleman who added \$9,000 profit) are the prices "we charge the French, British or Russian Governments for hundreds of carloads of goods."—*W. J. Shaver, representative of Bauer & Black, manufacturers of Surgical Dressings, before the Public Accounts Committee, on March 23, 1915.*

Tory Patronage List

WHAT GENERAL HUGHES SAYS

In the dying hours of the last Session of Parliament, Major General Hughes, in his usual bumptious manner, informed the House **that there was no patronage list in his Department:**

What did his Director of Contracts, Mr. H. W. Brown, say before the Public Accounts Committee on April 9th, 1915.

A TORY PATRONAGE LIST SINCE 1911

"From 1906 to 1911 there was not very much in the way of a patronage list; I was given a pretty free hand and I bought without much reference to any patronage list—There is now a patronage list. WE BUY FROM THAT LIST—It is a very large list now—I suppose we have 8,000 names on that list."—*H. W. Brown, Director of Contracts, Department of Militia before the Public Accounts Committee on April 9, 1915.*

WHO IS RIGHT?

Public Accounts Investigation 1915

HOW THE INVESTIGATIONS WERE BROUGHT ABOUT.

Repeated and insistent demands by Liberals in Parliament were met by subterfuge and delay. Results of investigations fully justified the Liberal demands. But for the insistence of Liberals, the facts as to middleman's graft, Government incompetence, lack of proper inspection, etc., all resulting in enormous waste of public money, might never have become known.

Prior to the meeting of Parliament, which was formally opened on February 4th, rumors of irregularities in the purchase of war supplies in Canada were rife throughout the Dominion, from Atlantic to Pacific. There were hints in the newspapers, street gossip everywhere indicated something wrong, but there was no proof and there could be no proof because all the official information was locked up in the various Government departments—and the Government was not giving any information.

MANUFACTURERS COMPLAINED OF MIDDLEMEN.

There is proof that the Government knew very well that there was something wrong.

Early in the autumn, not very long after the War broke out, the Canadian Manufacturers' Association found there was something wrong and they wrote letters to Sir Robert Borden himself. They complained of the manner in which they were being treated by the Government; that they could not get orders while politicians acting as middlemen could get all the orders that were going. The manufacturers complained that they could sell their goods only through these political middlemen.

BORDEN'S DUTY WAS TO INVESTIGATE.

Premier Borden answered, asking for specific instances. Very rightly the Manufacturers' Association replied **"You are the Government, it is your duty to investigate."** The Premier asked again for specific cases which were supplied and referred to the Militia Department. Of course the Department said they were not true.

Half a dozen times in Parliament, Premier Borden was asked to produce this correspondence. He admitted it was in existence

and he finally promised to produce it—but Parliament prorogued and the letters were never brought down.

And yet on the day Parliament prorogued Sir Robert Borden, with a great show, **declared that he had been absolutely unaware of the middlemen.**

RED TAPE DELAYS.

This was the situation when Parliament assembled.

February 8th, was the first business day of the session. On February 8th, Mr. A. K. MacLean, Liberal member for Halifax took the first step toward an investigation when he gave formal motion;

"For a copy of all correspondence which has passed between the Auditor General and the Militia Department of the Government service, in regard to the expenditure under the War Appropriation Act."

On February 11th, three days later, the House passed the order, and the proper officials were notified to produce copies of the correspondence.

The correspondence was not voluminous. It was afterward printed in 44 pages. But the Government, with its horde of 12,000 new appointees in addition to the regular staff did not produce these papers until February 25th, just 14 days later. **And then there was only one copy of each paper.**

On February 26, the next day, Sir Wilfrid Laurier asked if it was the intention of the Government to have the papers printed so that they might be available to all the members. The Minister of Finance promised "to consider the matter."

Four days went by in "consideration." On March 2, Sir Wilfrid asked the same question, this time of Sir Robert Borden, who responded that he saw no objection.

On March 3, the next day, the order for printing was given.

ASK INVESTIGATION BY PUBLIC ACCOUNTS COMMITTEE.

On March 5, Mr. A. K. Maclean, Liberal member for Halifax, moved that the correspondence be referred to the Public Accounts Committee. The Government took no action.

On March 8, Mr. Maclean renewed his motion. On this second occasion the Premier himself, Sir Robert Borden, asked that the matter be delayed for one day.

On March 9, the next day as suggested by the Premier, Mr. Maclean returned to the question for the third time and Sir Robert Borden again asked that the matter be delayed.

FOURTH TIME OF ASKING.

On March 12, Mr. Maclean renewed the question for the fourth time. It was not till then that Sir Robert Borden gave his consent and the formal action was taken to refer the matter to the Public Accounts Committee.

MORE DELAY.

But there had to be more delay before the Committee could get to work, and it was not until March 17, that the first sitting was held, the House on the same day ordering that the proceedings of the Committee should be printed from day to day.

TIME WAS SHORT. THEREFORE INVESTIGATION HAD TO BE CURTAILED.

From the foregoing it will be seen that Parliament was in actual working session five weeks before the Public Accounts Committee got to work. The length of the session was uncertain—in fact on March 17, there was already talk of early prorogation.

This being the case, members of the Committee realized that the investigation must necessarily be short. Knowing the large number of matters that should be investigated, they decided to confine themselves only to those cases in which evidence was easily and readily obtainable. They therefore investigated only the following:—**drugs, bicycles, binoculars, field dressings, motor trucks and automobiles, horses, "shield" shovels, housewives, jams, submarines, Valcartier lands and the burning of clothing.**

TORY COMMITTEEMEN WORKED HARD TO SHIELD MIDDLEMEN AND GOVERNMENT.

The Government afraid of what might be brought out sent a Minister to be in daily attendance.

Hon. J. D. Reid, Minister of Customs, officially represented the Government on the Committee. It is plain to be seen that this unusual custom in a Committee of the House was followed because of the fear of the Government as to what damaging facts might be brought out. That was why Mr. Reid was always in attendance at the meetings of the Committee. In spite of his reiterated statement that the Government wanted the fullest investigation possible, it is only fair and absolutely within the facts to state that every question asked by Conservative members of the Committee was asked for the express purpose and with the plain intention of covering up evidence that was damaging to their Tory middlemen.

LESS THAN THREE MILLIONS INVESTIGATED.

One outstanding fact in connection with the investigation should be kept in mind. **The total amount of money involved in the purchases investigated was no more than \$3,000,000.** This included the price of the Submarines. In other words, the Public Accounts Committee's investigation touched **less than one-sixteenth** of the \$50,000,000 voted by Parliament in August for war purposes.

Horses

How Many Assembled

8164 horses were purchased for first contingent.
398 horses were taken from permanent corps in Canada.
Total of 8562 horses assembled at Valcartier for first contingent.

WHERE THE HORSES WENT TO.

7911 were shipped to England with first contingent.
481 were sold by auction at Quebec at an average price of \$53.74.
19 are now held at Valcartier.
151 are absolutely unaccounted for.

A PROVED LOSS ON THE PURCHASE OF HORSES OF \$83,139

481 horses purchased at \$172.45 each and sold by auction at Quebec at \$53.72 each, making a loss of \$57,100.
151 unaccounted for, purchased at \$172.45 each, total \$26,039.
Total loss to the Country of \$83,139.

THIS IS A DIRECT LOSS, APPARENT TO EVERYONE.

But it does not take into account the loss from inferior quality. And there is no proof that the farmers received the price charged to the Country by the Government's horse dealers.

READ THE STORY.

The investigation of the Public Accounts Committee in the matter of horses was practically confined to one district only—the Province of Nova Scotia, but evidences of similar dealings from various parts of Canada was produced. In the Province of Nova Scotia 428 horses were purchased and the methods employed, and the evidence brought forth make it fair to assume that the losses to the country in connection with the horses purchased for the first contingent are far greater than shown in the above figures.

The Machine for Purchasing Horses.

The machinery employed for the purchase of horses in Nova Scotia comprised A. Dewitt Foster, M.P. for Kings, elected on a "purity" campaign in 1911, reprimanded in Parliament at the close of last session and forced to resign on April 28th, 1915; W. P. McKay, private secretary to John Stanfield, chief Conservative Whip, who incidentally as a side line dabbled in the fox-raising business, Messrs. Keever and Woodworth, friends of

Mr. Foster, both of whom are in the mining business in the United States; and Dr. Chipman, Kentville, N.S., a local veterinary, who was recommended for the position by G. H. Oakes, secretary for the Conservative Association for Kings County, N.S.

Evidently Mr. Foster and Mr. McKay knew more about foxes than they did about horses. Messrs. Keever and Woodworth had specialized in mining, **and their only qualifications according to Mr. Foster was that "they would pay their own expenses."**

Dr. Chipman admitted on the stand that he had passed spavined horses, and that his examination did not extend to teeth or wind.

Thousands of Dollars Handed Over.

Confident that this organization could be counted upon the Government guilelessly placed funds to Mr. Foster's credit at a bank in Halifax. He was provided with blank government cheques, and told to disburse the money. Mr. Foster thereupon turned his "men" to work.

Mr. Foster signed the government cheques in blank and handed them to Mr. G. H. Oakes, Secretary of the Conservative Association of Kings County, to fill in the amounts and number of horses purchased. Read Mr. Foster's evidence, page 807 Public Accounts Evidence, which is as follows:—

Mr. Foster on witness stand.

BY Mr. CARVELL:

Q.—But you signed the largest cheque to Woodworth; did you know he was purchasing? A.—Well, we might as well be frank about that; those cheques I am not sure about all of them, but I think all of them were signed by me and handed to Mr. Oakes, my representative, with instructions that when the horses were passed by the veterinary, the veterinary was to sign the cheque, and he was to fill in the number of horses; having the receipts from the farmers in his hands, he was to fill in the number of horses.

And the purchasing started.

THE LAME, THE HALT AND THE BLIND ACCEPTED

Read the evidence as taken by the Public Accounts Committee as to the horses in general.

Mr. A. B. Harvey of Aylesworth on witness stand.

BY Mr. RHODES:

Q.—I am asking you: Did you in your own mind, think you were putting one over on the Government in selling horses that were many years over the age? A.—I went to Berwick with a horse. I read their poster, went to the park with the horse not to sell it, drove there to see the people. When I got to Berwick, I didn't think that my horse would go according to the poster. I took notice that I had

as good a one, if not the best one, they had there—the lame, the halt and the blind. Well, I drove him up in the wagon. They had a veterinary that came and examined him; and they says: What do you want for him? I said: What would you give me? They said \$150. All right, I says, you can have him.

(See page 546 Public Accounts Evidence).

Mr. Spurgeon Selfridge on witness stand.

BY Mr. KYTE:

Q.—How would you describe the horses which you thought were a pretty poor looking lot? In what respect did you think they were poor? A.—They were both thin in flesh and blemished, and some the worse for wear.

Q.—Blemished in what respect? Spavined, ringboned, foundered? A.—Yes, yes. There were all of the blemishes coming to them, I thought.

Q.—Did they look as though they were twenty-five years old? A.—Yes.

Q.—Were these horses that you have described purchased by McKay? A.—Some of them.

Q.—Did you see them ticketed? A.—I did.

(See page 556 P.A.E.)

READ ABOUT SOME OF THE INDIVIDUAL HORSES.

THE KNEE SPRUNG HORSE WHICH COST THE GOVERNMENT \$150.

Mr. A. B. Harvey on the witness stand.

BY Mr. KYTE:

Q.—You sold one horse to Mackay at Berwick? A.—Yes.

BY Mr. RHODES:

Q.—The horse was sound, was it? A.—No.

Q.—What was the matter with it? A.—SPRUNG IN THE KNEES.

Q.—Was this spring apparent to any one who was a qualified and experienced horseman. A.—Most anybody could see it if they looked.

BY Mr. McCOIG:

Q.—Would you want to ride a horse sprung in the knees yourself? A.—No. I don't want to ride any of them.

BY Mr. NICKLE:

Q.—How did you happen to approach them to buy; what just happened; for instance, to whom did you go? A.—I drove in my horse with the rest; they were standing around there. This veterinary, Chipman, came along and put a ticket on him and went away.

Q.—Where did you go after that with your horse? A.—I stayed right there.

Q.—What happened? A.—Mr. McKay came along and wanted to know what I wanted. I said, what can you give me? he said \$150; I said, all right.

Q.—You made no representation as to the age of your horse? A.—Not a bit, sir.

Q.—Did you call his attention to the fact that he was sprung in the knee? A.—I did not have to do that; any man could see it.

(See pages 537, 538 and 547 P.A.E.)

THE BONE SPAVINED HORSE SOLD FOR \$100

BY Mr. RHODES:

Q.—Now, take the next animal you sold. What did you sell her for? A.—The next one was a sorrel horse.

Q.—How long had you owned the horse? A.—I got him that morning, four or five hours.

BY Mr. NICKLE:

Q.—What was the matter with that horse? A.—He was not so very bad; HE HAD TWO LITTLE SPAVINS ON HIM.

Q.—Were they dead? A.—I cannot tell you that; I do not know.

Q.—Were the spavins quite apparent to the eye? A.—Oh, yes, a fellow could see them.

Q.—Could you feel it with your hand down the inside of the leg? A.—You could see them with your own eyes.

Q.—How did you come to sell that time? A.—I led them right in, tied them up against a fence with the rest of the scabs, and they came along and put tickets on them, and they remained with the rest.

Q.—Who put the ticket on? A.—Dr. Chipman, the veterinary.

Q.—How did you determine the price? A.—McKay is the man.

Q.—Tell me about it; I was not there; you were. A.—I says, what are they worth? Can you handle them? He says, what do you want for them? I says what can you give me? He says, I'll give you \$100 apiece.

Q.—No dickering at all? A.—Not a bit.

(See pages 543, 544, 548 and 549 P.A.E.)

THE DARK BAY MARE SOLD FOR \$130. TOO OLD FOR SOUTH AFRICAN WAR, BUT PURCHASED NOW

BY Mr. RHODES:

Q.—Take the highest priced horse you sold at Kingston; what was the price of that one? A.—\$130.

Q.—Now give us the colour of the horse? A.—Bay, dark bay mare.

Q.—How old? A.—Crawling along, I should say.

Q.—What do you mean by crawling along? A.—Well, she was getting up, you know.

Q.—You said she was crawling along. How old was she? A.—AS FAR AS MY JUDGMENT GOES I SHOULD SAY SHE WAS 18 OR 20.

Q.—How long had you known this mare? A.—About two hours.

Q.—Tell me how you came to the conclusion that she was eighteen years old? A.—Well, people that had known her told me.

BY Mr. NICKLE:

Q.—Where did you get that mare? A.—From Howard Spurr.

Q.—Did you take him in with the rest of the bunch? A.—She came in alone.

Q.—Who was representing the Government? A.—Mr. Chipman and McKay.

Q.—You took them up to Chipman again? A.—I led him in and tied him up against the fence.

BY Mr. KYTE:

Q.—Do you know of any horses that were turned down at the time of the South African War that were sold to McKay? A.—I know that I heard this Spurr mare was supposed to be one that was turned down at that time; as being too old, she was turned down then.

(See pages 541, 549 and 563 P.A.E.)

THE SORREL HORSE, KNEE SPRUNG, SOLD TO THE GOVERNMENT FOR \$90.00, BUT TRADED A SHORT TIME BEFORE FOR "A DRAKE AND TWO DUCKS"

BY Mr. RHODES:

Q.—Take the next horse, was it a horse or a mare? A.—It was a horse.

Q.—What price did you get for him? A.—\$90.

Q.—You say you have no idea as to its age? A.—I don't think I was alive when he was born.

Q.—How old are you? A.—Thirty-two or thirty-three.

Q.—You say this horse you sold at \$90 was thirty-two or thirty-three years? A.—No. I did not.

Q.—How old in your judgment? A.—I WOULD TAKE HIM TO BE PRETTY HANDY THIRTY.

Q.—Was the spring in any one of the knees? A.—Yes, two of them.

Q.—Had he any other defects? A.—I don't think, I didn't have him long, you know, didn't use him long. He was sprung up some.

BY Mr. NICKLE:

Q.—Did you approach Chipman the same as before? A.—Yes.

Q.—And he put the ticket on it? A.—Yes.

Q.—And Mackay fixed the price? A.—Yes.

BY Mr. KYTE:

Q.—From whom did you get this sorrel horse? A.—Mr. C. H. Meader.

Q.—Who did Meader get it from? A.—Mr. Thomas Baltzer.

Q.—How much did Baltzer get for him? A.—\$15.

Q.—Who did Baltzer get it from? A.—Mr. Daniels.

Q.—How much did Daniels get for him? A.—\$10.

Q.—Who did Daniels get the horse from? A.—Charles Uhlman.

Q.—What did Daniels give Uhlman for the horse? A.—A DRAKE AND TWO DUCKS.

BY Mr. NICKLE:

Q.—THIS IS A RATHER SERIOUS BUSINESS. DID I UNDERSTAND THERE WAS SOLD TO THE GOVERNMENT A HORSE FOR \$90, THAT WAS BOUGHT A SHORT TIME AGO FOR THREE DUCKS? A.—NO, A DRAKE AND TWO DUCKS.

Q.—WHAT WAS THE MATTER WITH HIM? A.—I ONLY HAD HIM A LITTLE WHILE; HE WAS SPRUNG IN THE KNEES A LITTLE BIT; HE WAS A BIT OLD YOU KNOW.

(See pages 544, 545, 550 and 552 P.A.E.)

Mr. S. Selfridge on witness stand.

THE 17 OR 18 YEAR OLD HORSE, IF HE COULD NOT SELL HIM HE WOULD KILL HIM

BY Mr. KYTE:

Q.—Do you know Ingraham Bowlby? A.—I do.

Q.—Did he have a horse for sale? A.—He had two of them.

Q.—Did you know them pretty well? A.—Yes, one of them particularly.

Q.—How old was that one? A.—She would be seventeen or eighteen last spring.

Q.—What were her characteristics, how was she as to wind and limb? A.—SHE HAD A VERY BAD DOSE OF THE HEAVES.

Q.—Was that one sold? A.—He took her to Kingston and left her there. I was not at Kingston. He said he sold her, she did not come back.

Q.—Did you have any conversation with this man Bowlby about the mare taken to Kingston? A.—Yes.

Q.—What did he tell you? A.—HE HAD TOLD ME SEVERAL TIMES THAT HE DID NOT INTEND TO WINTER HER, AND HE TOLD ME THAT IF HE DID NOT SELL HER HE WAS GOING TO KILL HER.
(See pages 558 and 559 P.A.E.)

THE GOOD HORSE REJECTED, BUT THE OLD MARE SOLD

BY Mr. KYTE:

Q.—And his other horse? A.—He was a good horse, that is, a good looking horse. He has only had him about a year, and if I remember right he bought him at six years old. He is an Island horse, and a fine horse.

Q.—Did he sell that one? A.—No.

Q.—He did not sell that horse, he still has him at home? A.—He took him down to sell first, and he said that was not the kind they were buying, and he telephoned home TO SEND THE OLD MARE DOWN, AND HE SOLD HER.

(See page 558 P.A.E.)

THE ABNER WOODWORTH HORSE. 15 YEARS OLD BOUGHT FOR \$50, SOLD FOR \$130

BY Mr. KYTE:

Q.—That is one of Abner Woodworth's, was he sold? A.—Yes, he says so. He did not bring him back, I have not seen him since.

Q.—How old was he? A.—He said he was fifteen years.

Q.—Do you know where Woodworth got him? A.—From Edward Bartaux, I think it was a mare.

Q.—What did he pay Bartaux for the mare? A.—I ONLY KNOW THAT HE TOLD ME LAST SPRING HE BOUGHT HER FOR \$50.

Q.—Did he tell you how much he got for her? A.—He said he got \$130.

(See page 559 P.A.E.)

And so on.—

The required number of horses were purchased (if not the required quality and age) but to this day the country has no record of the prices paid nor the receipt given. Having finished their patriotic duties Messrs. Keever and Woodworth returned to their mining business in the United States taking with them these receipts and vouchers. Mr. Foster admitted on the witness stand that within the past week he had seen both Mr. Keever and Mr. Woodworth in the States but he did not state that he had tried to get them to appear before the Public Accounts Committee to tell what they knew of this transaction.

Mr. FOSTER SAID KEEVER TOOK ALL VOUCHERS.

In his evidence before the Public Accounts Committee, Mr. Foster, the Tory member for Kings County, and the moving spirit in the infamous horse deals, declared that all the vouchers and receipts for the purchase of the horses remained in the hands of Messrs. Keever and Woodworth who took them away to the United States. He also intimated that he had gone to the United States to see these men, but had not succeeded in getting the papers, nor could he get them to come to the investigation.

KEEVER CONTRADICTS FOSTER'S STORY.

Mr. Kever says neither he nor Mr Woodworth have any vouchers.

This statement is strangely at variance with what Kever told a Boston newspaper reporter. The Boston Journal, of April 14th published an interview with Kever in which he was quoted as saying "I heard a couple of weeks ago that an enquiry was being made by the party out of power in Parliament into the general purchases made for the Canadian contingent. These facts however do not jibe with what I know. Mr. Foster was in this office last Tuesday and talked with Mr. Woodworth and also with myself. He did not even mention the fact that an enquiry had been made or was to be made. He was on his way to Washington and I believe he is there at the present time."

Mr. Kever went on to say "I went with Mr. Woodworth to help Mr. Foster buy the horses, for he had been able to help some of his constituents sell some of their animals. The apple crop had been ruined and by selling these horses it would put a little more money in circulation in that section

"As far as vouchers go, and also receipts, neither Mr. Woodworth nor myself have any. Everything was paid for in Government cheques."

Proceeding with more detail of how the horses were bought, Mr. Kever wound up with the significant statement "If I had known such an enquiry was on, I certainly would have been there to defend anything said against me."

No Evidence of What the Farmers Got.

These horses, from the Province of Nova Scotia cost the country \$170 apiece, and the evidence shows that they were exceedingly expensive at that, but there is nothing to show what was paid to the farmers. Both Kever and Woodworth declined to return to Canada to give evidence, and Mr. McKay when examined evinced a strange lack of knowledge of the whole affair.

Frank McLaughlin of Valcartier swore before the committee on another occasion that for three weeks "dead horses going to the glue factory, about four a day," had passed on trucks before his door. It is very possible that some of the Foster horses were among them.

Horse Purchase Chicanery extended to Province of Quebec.

Only one other transaction was investigated, and that was in connection with the purchase of horses at Sherbrooke, Quebec,

by Major Fletcher, one of the Government's supporters and buyers. Major Fletcher purchased three splendidly bred Clydesdale mares in foal for \$250, \$225 and \$190 respectively, and exchanged them for three of his own geldings. These fine mares secured in a trade with the King are now in Major Fletcher's possession.

Committee Report to Parliament.

It is to be noted that the above investigations covered less than 500 of the eight thousand odd horses purchased for the first contingent.

Taking them as samples of the Government's purchases throughout the Dominion it would seem that the half has not yet been told, and that the losses to the country as between the prices paid to the farmers and the prices charged to the Government will far exceed the losses proven by the Government's own figures.

When all the evidence offered regarding horse purchasing had been heard by the Public Accounts Committee, an interim report (No. 6) was made to Parliament, and it is worthy of remembrance that this report was moved by Mr. H. B. Morphy of North Perth, the Conservative chairman of the committee.

Mr. Morphy's motion said:

"Your committee are of the opinion that the evidence respecting the purchase of horses in Nova Scotia discloses circumstances of such an unsatisfactory character that further investigation and action are necessary, and they recommend that the said evidence and all documents connected with the matters aforesaid be referred to the Department of Justice with instructions to make such investigation and to institute such prosecutions and to take such proceedings as may be found necessary to protect the public interest.

Recommend Further Investigation.

"And your committee further recommend that a further investigation should be made by the Government in regard to any irregularities which may have taken place in any other province of Canada, where such steps will be authorized and warranted by evidence or information of credible persons."

But No Sign Yet of Investigation.

It may be noted that at the time this is written, May 15th, there has been no outward or visible sign of any action in accordance with this motion, either by the Department of Justice or by the Government in ascertaining how far the abuses in the purchases of horses may have obtained in other parts of the Dominion. On the other hand rumors and newspaper articles make it quite fair to assume that there was similar lack of business methods, to put it at its mildest, in many other parts of Canada.

LOSS TO THE COUNTRY ON 500 OUT OF 8164 HORSES PURCHASED, \$81,139.

Drugs, Bandages and Medicine

DRUG CASE No. I

Clinical Thermometers Bought at Exactly Twice Regular Prices. Quick Refund when Liberals Question the Deal.

CLINICAL THERMOMETERS.

After the outbreak of War, the Militia Department bought from T. A. Brownlee, druggist of Ottawa, 1,062 clinical thermometers.

Brownlee charged \$1.00 each, and was paid for 702 on August 31, 1914, and for the remaining 360 on October 29, 1914.

On February 10, Mr. William Chisholm, M.P., Liberal Member for Antigonish asked for details and was informed on February 22nd by Major General Sam Hughes, that \$1.00 each had been paid and "subsequently Mr. Brownlee discovered an error in his charge and refunded half of this, making the net price 50 cents."

Inquiry by Liberal Member February 10th. Refund February 11th.

On March 1, answering a demand for more details, it was stated officially that the refund was made on February 11th—**The very day following Mr. Chisholm's first question. Is not this clear proof that it was the Liberal question that forced the refund!**

On March 1st, Major General Hughes admitted officially that the Department subsequently had been quoted much lower prices than were paid to Brownlee.

OTHER PURCHASES FROM BROWNLEE.

It might be assumed that Mr. Brownlee's transactions with the Department ended with the purchase of these thermometers. Not so. He was more fortunate than that. From the return brought down it is shown that Mr. Brownlee got at least \$25,000 worth of orders from the Department. These and some other large items were not investigated by the Committee. It is only fair, however, to state that in one item alone he was asked to supply 150 medicine stores boxes filled complete, which he did at \$85.00 a piece, the order amounting to \$12,750.

Were Tenders Asked ?

Certainly not. No tenders were asked. Brownlee was given the order and he filled it, but to-day after the Government have been obliged in some cases at least to adopt the competitive principle, similar medical boxes can be purchased from wholesale druggists for half that price.

DRUG CASE No. 2.

FIELD DRESSINGS FOR WOUNDED.

Field Dressings (Bandages, lints, salves, etc., for wounded Canadian Soldiers) **had to pay the blood toll.**

They had to come through a Tory middleman.

The middleman was an employee of a Conservative M.P. (W. F. Garland of Carleton, Ont.)

The middleman added one-third profit.

The manufacturers of Field Dressings (Bauer & Black, Chicago) **wanted and expected to do business direct with the Government; the same as this firm has always done with all the governments of the world—They could not do business direct—they were told so—because there had to be a middleman.**

Bauer & Black of Chicago, manufacturers of surgical dressings and specialists in Military Field Dressings, are one of the largest firms in the world doing this special business.

Bauer & Black, knowing that Canada was sending troops to Europe and knowing that the proper outfitting of these troops would include all kinds of surgical dressings, sent their own representative, W. J. Shaver to Ottawa.

Mr. Shaver interviewed officials of the Militia Department, expecting to do business direct with the Government, just as he would have done with the British War Office. He found he could not do business direct.

Let Mr. Shaver tell it in his own words, as he told it on oath on March 23rd, before the Public Accounts Committee (pages 69 to 80).

"I went to see Col. Jones (of the Militia Department). He said that THE GOVERNMENT WOULD NOT DO BUSINESS DIRECT WITH OUR COMPANY." (Page 70, P.A.E.).

There had to be a middleman!

Lest there be any mistake about that, listen to what Mr. Shaver said further on in his examination. He went on to talk with Col. Jones about prices for field dressings, and the basis of price was talked of. Mr. Shaver swore to the committee:

"Col. Jones told me it was the price laid down in Ottawa THROUGH SOME LOCAL MAN EITHER HERE OR SOMEWHERE ELSE IN CANADA." (Page 73, P.A.E.).

There must be a middleman!

Mr. Shaver did not want a middleman. He swore he did not. Listen—"We were prepared to do business direct if the Government saw fit to do business with us **AS WE DO IN OTHER COUNTRIES.** (Page 70, P.A.E.). And later Mr. Shaver said his company did business with the French, British and Russian governments, to say nothing of the United States. (Page 77, P.A.E.).

There was a middleman.

But there had to be a middleman, so Mr. Shaver got his middleman. He got him through W. F. Garland of Ottawa, Conservative member for Carleton County and chief owner of the Carleton Drug Company of Ottawa. And the middleman was E. E. Powell, a young apprentice druggist working for \$15 a week in the store of the Carleton Drug Company, of which W. F. Garland, Conservative member of Parliament, was and is the chief owner.

Agent for Government only.

Powell was appointed agent of Bauer & Black—to do business **only with the Canadian Government**. Both Shaver and Powell swore to that.

Powell got orders totalling over \$41,000 and on these orders he added a profit **over and above the prices Bauer & Black would have charged the Government** of nearly 30 per cent.

Powell added over \$9,000, which the Government paid—**because there had to be a middleman**.

Powell did nothing to earn the money. Powell swore, and Shaver swore that the goods were shipped direct to the Militia Department from Chicago. Powell never saw them—never handled them—did nothing but write a few letters and make out a few invoices. But the Government paid Powell, Garland's clerk, over \$9,000 more than it would have paid Bauer & Black.

The excess would have been more than \$9,000, but for Mr. H. W. Brown, director of contracts. Powell charged 23 cents each for field dressings. Brown protested the price and Powell reduced it to 21 cents. Brown still protested and Mr. Garland, Conservative M.P. **stepped in and said the price was fair**, giving his word as a druggist that the profit was only 5 per cent. Mr. Brown investigated a little further and found it was not 5% but 5 cents per dressing, **a profit of over 30%**.

In the face of the disclosure before the Committee Powell turned back to the Government some \$6,300, all that was in the bank in his name. The Government had in the meantime retained \$2,600 of his profits.

On March 25th at a subsequent meeting of the Public Accounts Committee the following resolution was passed,—

"The Committee begs to report to the House the evidence adduced in respect to the contract for supplies purchased from Mr. E. Powell and to express its opinion that the contracts for such supplies do not appear to have fully protected the public interests; and the Committee therefore recommend that the evidence adduced and all papers connected with the matter should be referred by the House to the Department of Justice for any further necessary investigation and for the recovery of any moneys overpaid and the taking of such further action as may be warranted by the facts."

DRUG CASE No. 3.

EXHORBITANT PRICES PAID FOR DRUGS AT VALCARTIER.

The Contractor a sister of Albert Sevigny, M.P., Deputy Speaker of the House of Commons.

Drugs and medical supplies of all kinds for the First Canadian Contingent, while at Valcartier Camp, were supplied by Mdme G. P. Plamondon of Quebec. The total of her accounts for goods supplied at Valcartier was about \$23,200. Overcharges running all the way from 70% to 200% and even 300% were proved by the sworn testimony of an expert druggist.

Mdme Plamondon, who has continued the drug business of her late husband in Quebec, held the contract for supply of drugs to the permanent military forces at Quebec for the year 1914-15. Her name was put on the Government patronage list two years previously at the request of her brother, Mr. Albert Sevigny, Nationalist member for Dorchester and Deputy Speaker of the House. Mr. Sevigny, giving evidence before the Public Accounts Committee on April 10th, admitted this under oath, and also admitted that he had written letters to the Paymaster General of the Militia Department asking expedition in the payment of accounts due Mdme Plamondon.

Mr. Henry Watters, druggist of Ottawa, in the trade 45 years and recognized as thoroughly competent to tell drug prices, gave evidence on April 9th, comparing Mdme Plamondon's prices, charged the Government with the prevailing trade prices as shown on current price lists of the leading wholesale drug firms of Canada, Mr. Watters demonstrated scandalous overcharges from 70 to 300 per cent, even after allowing for any change in prices due to the War.

Binoculars

It was in the purchase of binoculars for the officers of the Canadian expeditionary forces that the full effect of the Tory patronage system, with its inevitable middleman, was proved most plainly. When it came to binoculars there was no question of just one middleman—the sworn evidence proves that there had to be two, or three, or even four—and of course every one of them had to have his "bit."

And it was no small "bit" either, as witness the evidence that one particular pair of glasses were purchased at wholesale by the first man for \$9, and finally reached the Government at a net cost of \$58. Some profit!

AGENTS PLENTY, BINOCULARS FEW AND OF POOR QUALITY

The investigations of the Public Accounts Committee concerned only one particular lot of 166 glasses. Here is a list of the people concerned in their purchase:

First, the Canadian Government, which might just as well have dealt direct with the makers, eliminating all profits and saving the people's money.

Second, Col. Hurdman, the Government inspector.

Third, the P. W. Ellis Co. of Toronto, appointed by the Government on the recommendation of Major General Sam Hughes to "supervise" the purchase of binoculars at a fee of 10% of their whole cost.

Fourth, T. M. Birkett of Ottawa, son of a former Conservative member of Parliament, and sole director of the Keystone Supply Co. of Ottawa. This company was organized immediately after the Borden Government came into power in 1911 and all it does is to supply goods of all kinds to the Government, which the Government might as well buy direct.

Fifth, Sam Bilsky, a well known and reputable Ottawa jeweller, who offered to supply the Government with all the binoculars it wanted, of standard make, at \$45 each, but who had no chance to do business with the Government **because he was a Liberal.**

Sixth, Milton Harris, a New York broker who found the glasses for Bilsky to turn over to Birkett.

Seventh, the original makers or importers of the glasses, Bausch & Lomb and other wholesale and retail New York firms, who would have been glad at any stage to sell direct to the Government, at regular wholesale trade prices.

And for good measure, it might as well be remembered that Mr. Birkett had a partner, Alex. Taylor, who was supposed to get his share.

So, to trace the history of one pair of binoculars; Bausch & Lomb sold to Harris who sold to Bilsky who sold to Birkett who sold to P. W. Ellis & Co. who got the glasses passed by Col. Hurdman who then turned them over to the Government.

The sworn evidence showed that the binoculars cost Birkett and his partners an average of \$30. He turned them over to the P. W. Ellis Co. at an average of \$52, and the Government paid \$58. Bilsky, with whom the Government refused to do business direct, because he was a Liberal, got \$5 a glass from Birkett, because Bilsky knew where the glasses could be got and Birkett did not.

BINOCULARS VERY POOR QUALITY

And the worst feature of all was that the binoculars were not of the stipulated quality. Think of that for a moment. They were for the use of officers and on the accuracy and power of the glasses might easily depend the lives of whole companies of Canadian soldiers. Officers use binoculars to keep track of the

enemy and to see what is coming. But the safety of Canadian soldiers was secondary to the necessity of giving fat profits to political middlemen.

The P. W. Ellis Co. got their job as "supervisors" through Major General Sam Hughes, who boldly defended the whole affair, gloried in the fact that he had given them 10% on all binoculars purchased and even lamented on the witness stand that he was "sorry it was not 20%." There could be nothing wrong he declared because he "liked the Ellis boys—fine boys—I went to school with them."

And P. W. Ellis boldly testified that he had saved the Government \$12,000 by buying the binoculars. But he omitted to add that for this ostensible saving of \$12,000, he got \$9,000 commission for doing practically nothing, and all his expenses besides!

The evidence showed that Ellis never saw most of the glasses—that he knew nothing about them until they had been passed by Col. Hurdman for Birkett. And one witness swore that he was told that Colonel Hurdman was "figured in" at \$2 per glass.

The Public Accounts Committee, in reporting to Parliament on this particular deal, said:

"From the evidence it appears a number of binocular glasses were of poor quality, low range and inferior efficiency, but passed inspection and were paid for at excessive prices; and this was due to misrepresentation and inadequate inspection." The Committee recommended that the matter be turned over to the Department of Justice.

Submarines

The first action of the Borden Government in connection with the War was to purchase two submarines for the defence of our Pacific Coast.

COAST WAS UNPROTECTED.

The coast was entirely without protection because there was no Canadian Navy to protect it. It was known that there was a squadron of German cruisers in South American waters that might easily make a dash for Victoria, Vancouver and Prince Rupert before British or Japanese warships in the Pacific could head them off.

Thus, at the very outbreak of hostilities, actual war demonstrated to the Canadian people the need of a Canadian navy in Canadian waters, to protect Canadian coasts and Canadian shipping.

It was under these circumstances that the Borden Government undertook to make up for the lack of a Canadian Navy by going to Seattle where they purchased two submarines which had been built by the Electric Boat Company of New Jersey for the Chilean Government but were rejected by the Naval Commission of the Chilean Government, **as being unfit for service,**

lacking buoyancy and considerably out of date as to style and pattern.

The two submarines were built in New Jersey and shipped to Seattle for assembling, and were completed and were being subjected to trial tests for some months. The Chilean Government had sent the Chairman of their Naval Commission, Captain Plaza, to Seattle to witness the official trials, and accept, on behalf of the Chilean Government, the two submarines.

SUBMARINES REJECTED BY CHILE.

The following is an extract from a statement which Capt. Plaza, Chairman of the Chilean Naval Commission, gave to the Press, and which was published in the Seattle Sunday Times of July 26, 1914.—

"I can only confirm the report you have, that the two submarines built here for my government have not been accepted and that at this time they do not meet the full requirements of the contract between the Government of Chile and the Electric Boat Company of New Jersey."

Commenting on this statement by the Chilean expert, the "Times said:

"Considering all the angles in the cast it is evident that the incident of the rejection of the Iquique and Antafogasta (the two submarines afterwards purchased by Canada) will cause a mild sensation in Coast shipbuilding as well as in naval circles. It is apparent however, that aside from the discovery that the two submarines lack the proper buoyancy to make certain their safety and efficiency, they are considerably out of date as to style and pattern. They were designed several years ago, and, it is known they do not compare with the type of submarines now building here and elsewhere for the United States Government. In fact, it is understood, were the two submarines satisfactory in point of safety and efficiency, they would scarcely measure up in standards of destructive power, speed and other requirements to the submarines recently built or on the ways in various ship yards of the country."

The Seattle Times has wide circulation in Victoria and it is fair to assume that the facts regarding the submarines were well known there.

This was on July 26th. Immediately this report was made, Mr. J. V. Patterson, President of the Seattle Construction and Dry Dock Company, the shipbuilding firm who had assembled the boats in Seattle, went to Victoria, so it is stated, and interviewed Sir Richard McBride.

AND WHAT HAPPENED!

Sir Richard McBride immediately agreed to pay \$1,150,000, for these two rejected boats and wired the Borden Government here at Ottawa to confirm his purchase, which they did.

In the House of Commons on February 11th, Dr. Wm. Pugsley, M.P. for St. Johns brought this matter to the attention of the Government and in doing so stated,—

"I am informed on authority which I believe to be reliable that the original contract price was \$387,000 for each submarine. That made the original contract for the two submarines \$774,000. I am told that after contract was entered into an extra torpedo tube and some other extras were provided which brought the contract price up to \$900,000. My information is from the Pacific Coast."

WHAT DEFENCE DID THE GOVERNMENT MAKE?

Absolutely none, except to state that Sir Richard McBride had paid \$1,150,000, for the boats and that the Borden Government has reimbursed him to this extent.

WHY WERE THREE DRAFTS DRAWN FOR THIS AMOUNT?

On examination of the Auditor General before the Public Accounts Committee on March 31st, 1915, (page 401) it is shown that three drafts were drawn for amounts as follows, totalling \$1,150,000.

No. 15862 on the Canadian Bank of Commerce, N.Y.....	\$500,000.00
No. 15883 on the Canadian Bank of Commerce, N.Y.....	399,437.50
No. 84894 on the Canadian Bank of Commerce, Seattle.....	249,961.00

The endorsements on these cheques confirm what Dr. Pugsley had stated in the House, namely that \$900,000, (less commission), went to New York in payment of the submarines and that \$250,000 (less commission), went to Mr. J. V. Patterson of Seattle.

Now we will quote what the Auditor General stated in regard to these endorsements,—

"With regard to the two New York drafts which were drawn in favour of Mr. J. V. Patterson, they were endorsed "Pay to the order of the Electric Boat Company, signed J. V. Patterson, and the Electric Boat Company had endorsed them "A. R. Grant, Vice-President."

It can therefore be assumed that these two drafts totalling \$900,000, less commission were received and cashed by the Electric Boat Company of New Jersey.

What about the third draft for \$250,000, (less commission)?

This was payable to J. V. Patterson of Seattle and endorsed by J. V. Patterson and had the stamp of the Canadian Bank of Commerce, Seattle.

This should be sufficient proof that \$250,000 went elsewhere than to the Electric Boat Company of New Jersey.

ANOTHER APPARENT LOSS TO THE COUNTRY OF \$250,000.

Bicycles

450 purchased from Canada Cycle & Motor Co., at a cost of \$62 each. 570 purchased from Canada Cycle & Motor Co., at a cost of \$55 each. 200 purchased from Planet Bicycle Co., Toronto, at \$55 each; total number purchased 1220 at a cost of \$70,250.

How were these Bicycles Purchased?

By T. A. Russell, the expert of the Department.

From T. A. Russell, the general manager of the Canada Cycle Company.

On the recommendation of T. A. Russell, a friend of General Sam Hughes.

Competition ignored, and catalogues from other Bicycle firms thrown into the waste paper basket.

Before the Public Accounts Committee on March 23, 1915.

Mr. G. M. McWilliam of Toronto, General Manager of Hyslop Brothers, Ltd., manufacturers of standard bicycles, gave evidence and swore: **That his firm tried three times, by letter addressed to an official of the Militia Department, to get a chance to tender for Bicycles.**

That they never got any answer of any kind.

That they could have supplied any quantity of bicycles equal in every respect to those bought by the Government for \$34 each in lots of 50 to 100 and at a less price for an order of 1000 bicycles or more; bicycles absolutely equal to those for which the Government paid \$62 and \$55.

That this very bicycle sold to the Government for \$55 and \$62 with the military attachments (two carriers, two rifle clips, lamp, bell and small repair outfit, the whole costing \$9.50) could be purchased by anyone **at retail** for \$49.50.

That the wholesale price for these bicycles to any man in the business of selling bicycles and buying as many as 20, 30 or 50 in a season, would be \$24.50, (without military attachments).

That his firm, Hyslop Brothers, Limited, would have supplied the Government with the same identical bicycles, 1,220 of them, at a total cost of \$41,480.

That the difference between the price paid by the Government and the regular trade price of these 1,220 bicycles therefore amounts to \$28,770.

LOSS TO THE COUNTRY \$28,770.

The Shield-Shovel

25,000 ORDERED BY THE DEPARTMENT AT A COST OF \$33,750, MANUFACTURED IN THE UNITED STATES, SHIPPED TO ENGLAND WITHOUT HANDLES AND DISCARDED BY THE ENGLISH GOVERNMENT AS BEING NOT OF SERVICE PATTERN AND BEING UNSUITABLE FOR THE SOLDIERS.

PATENTEE WAS MISS ENA McADAM, PRIVATE SECRETARY TO MAJOR GENERAL SAM HUGHES.

The above is the story in brief of the shield shovels. Lieutenant-Colonel Stoneman of Hamilton claims he is the patentee of this shovel and before the Public Accounts Committee on March 30th, swore, when exhibiting the blue print of the pattern of the shield shovel, that he had sent a copy of the shield shovel pattern at the beginning of the War to several persons, including Lord Kitchener, Lord Roberts and General Hughes, and that he had received an acknowledgment from all of the gentlemen except Major General Sam Hughes.

On the witness stand General Hughes stated that his private secretary, Miss McAdam, when in Switzerland had seen the requirements for such a spade and on returning to Canada, and some 15 months later, after the outbreak of War had taken out this patent.

DISCARDED—NOT OF SERVICE PATTERN.

In the British House of Commons on Thursday March 11th, 1915, the question was asked by Mr. MacVeagh in regard to the McAdam shovels.

QUESTION:

Mr. MacVeagh asked whether the McAdam spades with which the Canadian soldiers were supplied at Salisbury Plains have been discarded; and, if so, under what circumstances.

ANSWER:

Mr. Tenant (Under Secretary of State for War).

It is necessary that the entrenchment implement should be carried on the person, and as the Canadian troops had no means of doing this with their spade, the Service pattern with the appropriate fitment was issued to them. (See British Parliamentary debates, Thursday March 11th, 1915).

The fact is, the Government purchased 25,000 at a cost of \$33,750; money practically thrown away as the shovels as shown above were discarded by the British Government as unfit for service. General Sam Hughes stated however, that the Highland Brigade took 600 shovels without handles to the front. Giving General Hughes the benefit of this doubt, that 600 of the shovels were used, it shows conclusively that the country had thrown away 24,400 shovels at a loss of \$30,940.

LOSS TO THE COUNTRY ON SHOVELS \$30,940.

Motor Trucks

The evidence given before the Public Accounts Committee of the House of Commons respecting the purchase of Motor Trucks for the use of the soldiers was of a most interesting character. We shall not attempt to reproduce it because it is altogether too voluminous and much of it is technical. We shall try to give a fair summary of the situation as disclosed.

It appears that two years before the War broke out, the Militia Department purchased, through representations made by one Mr. McQuarrie from Wylie, Limited, of Ottawa, three Gramm Motor Trucks. On this sale to the Department, McQuarrie received a commission of \$1200 for which he gave a receipt to Wylie Limited which read as follows:

"Received from Wylie Limited on April 22nd, 1912, \$1200, for my influence with Col. Sam Hughes, Minister of Department of Militia and Defence in securing from the Department an order for three Gramm Motor Trucks. This is in accordance with agreement with your Company, February 19th, 1912.

(Signed) J. H. McQuarrie.

Mr. McQuarrie, it is well known, is a protege and political henchman of the Minister of Militia. At one time he was a lay-preacher, at another, he was a chauffeur; but always a strong helper of the Major General at election times in his riding.

When the War broke out McQuarrie appeared on the scene as a Motor Truck Agent and sold the Department eight trucks manufactured by the Russell Motor Truck Car Company at \$1650 each equal to \$13,200, for which he admitted he received a commission, probably 10%.

McQuarrie and Mr. T. A. Russell, General Manager of the Russell Motor Co. were then appointed by the Minister of Militia as per the following letter:

August 14, 1914.

Dear Sirs:—I have pleasure in commissioning you to select for me, for the Department of Militia and Defence, using your best judgment, as many motor trucks as you can conveniently secure, up to twenty-five (25) to be delivered at Valcartier, Quebec, by the end of two weeks from to-day—the 28th instant.

I shall be obliged if you will also supply us with chauffeurs for these trucks.

Faithfully,

(Signed) Sam Hughes.

Also suitable trailers—S.H.

Messrs. Russell & McQuarrie,
Chateau Laurier, Ottawa.

NO ORGANIZATION IN MILITIA DEPT.

Considering the fact that Motor Trucks for military transport have in recent years largely displaced the ordinary horse wagon, one would naturally imagine that the Militia Department would be posted on the subject and would be possessed of sufficient information to do their own buying of trucks. Major General Sam Hughes had dinned it into our ears incessantly that he knew the war with Germany was coming. In view of that, it is difficult to believe that the greatest military Organizer of all time would neglect to see that his officials were thoroughly informed in regard to such an important detail of military organization as Motor Truck Equipment. Mr. Russell, however, stated before the Public Accounts Committee, (vide page 326) that "there was not a scrap of paper in the Department of Militia to indicate what the style of truck should be, what the body should be like and so on."

GOVERNMENT AGENTS ACT AS BUYERS AND SELLERS.

How did these agents appointed by the Minister of the Militia Department perform the duty assigned to them?

The first thing Mr. Russell did was to constitute himself seller to the Government as well as buyer for it. He bought eight trucks at \$3500 each, in all \$28,000 from his own Company, the Russell Motor Car Co., that being the full retail price. It was stated in evidence by Mr. Russell that the wholesale price of the truck was \$2800, so that the Government, although buying eight trucks, which is a wholesale quantity for trucks, had to pay the same price as the ordinary consumer buying one. The Government was undoubtedly entitled to the wholesale or manufacturer's price and it is clear that the Russell Motor Car Co. got \$700 per truck or \$5600 in all, more than they get for their trucks as they sell them in the ordinary course of their trade.

Russell and McQuarrie bought seventeen more trucks from different concerns and in each case the Government paid the full retail list price, that is to say, the price which any ordinary consumer buying one truck would have to pay. That retail list price is 20% greater than the manufacturer's price to the trade.

Mr. Russell stated in evidence that he made no effort to get wholesale or manufacturer's prices, and gave as his reason that he had information that there was talk at Washington of not allowing motor trucks to go out of the country to belligerents and he was anxious to get the trucks.

SAM HUGHES SATISFIED.

The Minister of Militia was evidently satisfied that the agents in buying trucks at retail prices although in wholesale quantities, and in part from their own Company did the correct thing because on September 2, 1914, he reappointed them to purchase a great many more trucks as per the following letter:

Ottawa, September 2, 1914.

Dear Sirs:—Will you please proceed with the purchase of motor trucks and equipment for the Department of Divisional Supply and Ammunition Park, according to the schedule furnished you, totalling 134 motor trucks, 7 motor cars and 16 motor trucks for the workshops and storage for parts, instead of having special tractors for this purpose. These trucks will be of three ton capacity, if you can secure a sufficient number of satisfactory make without too great a variety; if you have to use the two-ton trucks to secure a sufficient number, it will be necessary to provide an additional number so as to take care of the tonnage required. I am anxious that you should make use of the Jeffery trucks, if possible, as these have been recommended to me for military purposes.

The trucks should be delivered at Quebec by 22nd September.

(Signed) Sam Hughes.

Messrs. T. A. Russell
J. H. McQuarrie,
Ottawa.

Under these fresh instructions McQuarrie and Russell bought in the neighborhood of 140 trucks of which 60 were bought from the Russell Motor Co., of Toronto. These 60 trucks were not manufactured by the Russell Company; they were manufactured complete in the United States. The Russell Company whose General Manager was doing the buying for the Government simply stepped in and acted as middlemen. They bought the trucks at discounts of 15% and 10% equal to 24% from the retail list price, and sold them to the Government at the same list price less a discount of only 10%—so that they pocketed a nice profit, of 14% or over \$20,000. The obvious question is why were these trucks not bought direct from the manufacturers, which would have saved that \$20,000 to the country.

The other trucks about ninety in all were purchased from different manufacturers and agents on the basis of retail list price less 10%—instead of at the manufacturer's price to the wholesale trade which is a discount of 25% from the list price.

Mr. Russell further, as buyer for the Government bought from the Russell Motor Co., of which he was General Manager trailers, Russell cars, ambulance cars, parts, etc., the total profit realized by the Company on all purchases from it, according to Mr. Russell's own evidence being \$30,125.

Moreover all the trucks, cars, etc., bought by Mr. Russell as buyer for the Government from his own company, were inspected and passed by himself or by Mr. McQuarrie who was acting in harmony with him.

SOME TRUCKS NO GOOD.

It appears too from a Return presented to the House of Commons on February 24th, 1915, that 38 two-ton trucks bought from the White Company and 26 two-ton Jeffery Trucks through the Russell Motor Car Company were found to be smaller than the actual requirements, and are consequently not being used at the Front. The Gramm trucks also developed weakness in the engine crank shafts.

RUSSELL MAKES \$30,000 FOR HIS COMPANY.

In fairness to Mr. Russell it should be stated that he spent about three months in buying, organizing, inspecting and shipping the whole army truck and car transport without making any charge for his services, and that personally he got no commission or remuneration on any of the purchases he made for the Government. **As Government buyer he made \$30,000 profit for his company, but nothing for himself.**

It will be obvious that the method of purchasing these trucks was a most unbusiness like one—indicative of the slap-dash devil may care policy of the Minister of Militia. **A Government buyer should be absolutely independent and he certainly should not be both buyer for the Government and seller to it.**

SAVING MADE PROVING PREVIOUS LOSS.

Mr. Russell evidently realizing that his dual position was somewhat anomalous declined to act on a commission appointed by the Minister of Militia to purchase trucks for the second contingent, the reason assigned being that he wanted to be free to try to secure business for his company. That commission consisted of:—Gen. MacDonald, Senator Geo. Taylor, W. K. McNaught, J. H. McQuarrie and W. O. Thomas.

As it developed Mr. Thomas who is a recognized motor truck engineer expert controlled the situation. On his recommendation 150 Kelly Trucks were purchased from the Kelly Co., of Springfield, Ohio at a price of \$550 per truck less than the same truck was bought for from the Russell Motor Co., who

acted as middleman and who purchased from the Kelly Co. In this way Mr. Thomas claimed he saved the Government \$180,000 on the trucks for the second contingent as compared with the price paid for the trucks for the first contingent. Mr. Thomas showed that it was not necessary to buy through agents, he bought direct from the manufacturer at the lowest manufacturer's price.

It will be apparent that Mr. Thomas' saving of \$180,000 meant that practically that amount was lost on the first purchases.

A BIG BLUNDER.

Although Mr. Thomas was supposed to be the adviser to the Commission in regard to all purchases of motor trucks,—and is, indeed, paid a commission of 1½% on all purchases for his services,—in some way or other an order was placed by the Department in Canada for 150 bodies for the Kelly trucks at \$168 each equal to \$25,210 without his knowledge, and it transpired that these bodies were quite useless as they were made for two-ton trucks whereas the trucks ordered are three-ton capacity. To save these bodies being a dead loss to the Government, Thomas is trying to work off on the Kelly Co. for use on two-ton trucks for the French Government.

Housewives

Purchased without tender from the President of the Ottawa Conservative Association.

A housewife is a small piece of cloth arranged as to be tied up and contains thread, needles, twist, darning needles, darning cotton, etc. Each soldier is supposed to have one of these utility packages in his equipment. Without asking for tenders and without securing any competitive prices, the Government got into communication with Mr. Stewart McClenaghan of Ottawa, the owner and proprietor of The 2-Macs store and President of the Conservative Association for Ottawa, and asked him to give a price for supplying housewives. He quoted 53¼c each and was immediately given an order for 30,000. In the following three months this was increased to 100,000, and the same price 53¼c each was maintained.

According to Mr. McClenaghan's own statement his profit on these goods had been 24%, 16% of which he had charged to overhead expenses and 8% to clear profit. On April 13th, Mr. T. McNichol of the J. M. Garland Company, Ottawa, refused to produce their original invoices to show what they had paid for these goods. Why?

Burning of Clothing

Considerable criticism has been aimed at the Government in regard to the large amount of clothing which was burned at the closing of the Valcartier Camp in the Fall of 1914. Prominent

gentlemen from various parts of Canada have stated that they had both seen and heard of this wanton waste.

The Public Accounts Committee did not have time to fully investigate this charge, but on one occasion a resident of Valcartier being on the witness stand, was questioned and the following is a synopsis of the evidence.

Mr. Adam Aikens on the Stand.

BY Mr. McKENZIE:

Q.—Do you know anything about the burning of clothing, or of property, which appeared to be Government property on the premises? A.—Well, yes, sir; I saw clothes burning there in piles.

Q.—Did you offer to buy some of the clothing? A.—Yes, sir; I offered to buy a coat—me and Mr. Goodfellow and my father. The soldier was there; he was supposed to be the guide. I offered \$5 for the coat and he would not take it.

Q.—Those were the coats they were burning? A.—Yes, sir.

BY Mr. CARVELL:

Q.—Have you any idea as to the number that was being burned; you say you saw piles. How large were the piles? A.—I did not pay any attention to the size of the piles. They were fair sized piles.

Q.—Would they contain three or four, or how many? A.—I should say two or three hundred in large piles.

Q.—How many piles were there? A.—Several piles; eight or nine piles, so far as I could judge.

Q.—Were there any blankets in those piles? A.—Yes, sir, there were some blankets in the piles that I could see.

Q.—Were there any other articles of uniform, or necessities for the soldiers? A.—There were caps I think too; that is all I could see in the pile.

Q.—How many caps? A.—I could not see rightly. They were all in a pile.

MORE WASTE.

Public Accounts Investigation Brought to a Close

PREMIER'S STATEMENT

The Public Accounts Committee completed its partial investigation on April 14th. On the morning of April 15th, the last day Parliament sat, Sir Robert Borden undertook to sum up the evidence which had been taken before the Public Accounts Committee. The Tory Press has lauded him for his explanations and the stand he took. In one paragraph the Prime Minister stated:

"I spoke to the Minister of Customs (Mr. Reid) who is a member of the Public Accounts Committee, with regard to the scope of the investigation. I spoke to him in the presence of the Minister of Militia and Defence (Major General Hughes) and I informed him that we wanted the widest possible scope given to that inquiry. If there had been any wrongdoing in connection with political expenditures, we desired it to be investigated to the full."

The Hon. Mr. Reid did represent the Government on this Committee and it is true that he stated several times that the Government wanted the fullest possible investigation. It is also true, however, that this Minister and the Conservative members who took an interest in the investigation asked question after question with no other apparent motive but that of finding an excuse for the appointment of these middlemen. They even went so far as to communicate with Colonel Jones in the trenches in France regarding the statement of Mr. Shaver that he had been informed that a middleman must be appointed before his firm could sell field dressings to the Government.

Colonel Jones replied that he never made any such statement. Colonel Jones' statement must be accepted as also the statement of the Government, **but the action of the Government speaks louder than all the statements that Colonel Jones or any member of the Government can make. The fact remains that the middleman was appointed and that they knew he was appointed and that they permitted him to draw over \$6,000 of commissions.** That ought to be sufficient evidence of the Government's desire and intention until the famous transaction was dragged into the light of day by the Liberals.

\$72,000 taken out of Public Treasury and no members of Government knew of it.

With regard to Mr. Foster purchasing horses the Premier stated:

"Mr. Foster was appointed as purchasing agent without the knowledge or consent or approval of any member of the Government. I knew nothing of it or I should certainly have absolutely prevented his undertaking any such duties. The Minister of Militia knew nothing of it."

Did the Premier realize what he was stating when he made this remark? What does the electorate think of the Prime Minister of Canada standing up in the House and making a statement that a private individual can come to the Department, take out between \$72,000 and \$73,000 without the Prime Minister or any member of his Cabinet knowing anything about it?

TWO MEMBERS OF PARLIAMENT ACCUSED.

Let us see what the Premier said in regard to Mr. Foster. In the unrevised Hansard page 2690, he is reported:

"I regret to say that the evidence—Mr. Foster's own evidence—convinces me that he did not have regard to that duty in the way in which I think the Parliament and people of this country might have expected him to perform that duty."

Also what he said in regard to Mr. Garland, as found on page 2695 of the unrevised Hansard:

"He (Mr. Garland) had in his employ this young man who was devoting 12 or 14 hours a day to his duties and who received a salary of \$75 a month. He not only permitted, but he encouraged and assisted that young man to make a contract with the Government under which, within a few weeks, he acquired a profit of \$9,000. I cannot for one moment give my sanction or approval to a transaction of that character, because to say the least, it is bound to arouse a very grave suspicion."

This no doubt was the proper stand to take. Thanks to the investigation forced by the Liberals, evidence had been produced which to say the least was not at all satisfactory so far as these two members of Parliament were concerned. But why should Mr. Borden condemn these two members of Parliament and protect others? **Why did he overlook the men responsible for the rotten boots? Why did he forget to mention his Nationalist Deputy Speaker Sevigny, who as the fore-going evidence will show, did as much in getting his sister contracts for drugs as Mr. Garland did in getting contracts for Mr. Powell?**

Why did the Premier exonerate his Minister of Militia who permitted his private secretary to take out a patent on a shield shovel and spent over \$30,000 of the country's money on it. According to the evidence, he sent these shovels to Great Britain without handles, and the British Government found that they were unfit for service. Did Sir Robert Borden in his declaration state that every member of Parliament who was found guilty of wrong-doing such as Mr. Foster and Mr. Garland had been convicted of, would be read out of the Party? Not a bit of it. He made a statement intended to convey the impression that he was taking a high and noble stand for the good of the country and the honor of his party.

But he touched only the fringe of the proved corruption and he left untouched, without word or hint of disapproval or displeasure, many in the rank and file of his party.

THE REMEDY.

Mr. Borden suggested a remedy in regard to the purchasing of supplies. Hansard, page 2698, quotes him:

"We propose, as soon as this Parliament prorogues, to take up the question of the purchase of supplies under the appropriation of \$100,000,000 and we propose to have a commission appointed of either one man or three men."

In appointing this business man's Committee what did Premier Borden do?

He pronounced sentence of unfitness on General Hughes who undertook at the outbreak of the War to dispense the patronage of his Department.

He pronounced condemnation on the members of his Government whom he had appointed a special purchasing Committee.

He makes the plain and undeniable admission that he has not in his Cabinet men whom he could trust with the expenditure of this additional \$100,000,000.

WHAT THE COUNTRY LOST.

Mr. Borden in this speech said:

"In respect of the binoculars, I would estimate the amount overpaid at \$3,000 at the outside—I am taking 166 binoculars and allowing, roughly speaking, \$20 overpaid in respect of each pair—and that in respect of the horses, from what I can gather from the evidence, nothing has been shown up to the present time to indicate that more than a like amount, that is, \$3,000 has been lost to the country if even that amount has been lost. So that there is a total net result of \$12,000 out of \$50,000,000 or one-fortieth of one per cent, and of that \$6,300 has already been recovered, leaving a sum aggregating one-fortieth of one per cent of an expenditure of \$50,000,000."

Was the Prime Minister sincere in making this statement? Was he acquainted with the facts? Or was he making a campaign speech? Let us repeat what he says that out of an expenditure of \$50,000,000, \$6,000 has been lost to the country, or one-fortieth of one per cent. We have tried to be fair in the compilation of this publication. It is not \$50,000,000 worth of goods that were investigated but less than \$3,000,000 worth. As Sir Wilfred Laurier said **just the surface had been scratched** but from this it is evident that considerably more than \$6,000 was lost.

Let us summarize and estimate what the country did lose:

Horses.....	\$83,139
Bicycles.....	28,770
Shield Shovels.....	30,940
Binoculars.....	3,000
*Oliver Equipment.....	373,475
Submarines.....	250,000
Drugs.....	Thousands of dollars
Motor trucks.....	Thousands of dollars
Clothing.....	Thousands of dollars
Boots.....	Thousands of dollars

Some of these items are absolutely proved—as to others, the best that can be said is that the accounting or explanation is unsatisfactory and cannot be accepted.

*See page 36 of this publication.

War Contracts Not Investigated and Why?

PURCHASES NOT INVESTIGATED.

Early in the Session Liberal members realizing that purchases in connection with the War supplies might come before the Public Accounts Committee endeavored to get all possible information from the Government to enable them to investigate and ascertain to what extent the interests of the people had been protected by the Government.

The Public Accounts Committee closed April 14th and the House prorogued on April 15th.

FLANNEL SHIRTS.—352,328 purchased.

The Return asked for on March 8th and brought down on April 9th. Number purchased 352,328, prices ranging from \$1.00 to \$1.58 each. (See Sessional Papers No. 260).

SERVICE SHIRTS.—176,154 purchased.

Return asked for on March 8th and brought down on April 12th only. The number of service shirts purchased were 176,154 at prices from \$1.00 to \$1.15 each. (See Sessional pps. 260B).

COTTON SHIRTS.—186,188 purchased.

Return asked for on March 8th and brought down on April 9th. Number ordered 186,188, the price ranging from \$1.00 to \$1.15. (See Sessional pps. 260A).

FORAGE CAPS.—210,000 purchased.

Return asked for on March 9th and brought down only April 7th, 210,000 purchased at an average price of \$1.26. (See Sessional pps. 237).

UNDERWEAR.—282,438 Woollen Shirts and 366,448 Drawers purchased.

Return asked for on March 8th and brought down on April 9th. Number purchased, shirts woollen, 282,438, ranging from \$9.50 to \$12.50 per dozen. Drawers 366,448 from \$9.50 to \$12.50 per dozen. (See Sessional pps. 264).

SOLDIERS UNIFORMS.—

A return was asked for on March 8th and brought down on March 18th as follows:

Jackets.....	228,170 @ \$5.91 each
Trousers.....	171,032 @ \$3.93 each
Breeches.....	79,000 @ \$6.97 each

(See Sessional pps. 174).

SADDLES.—11,000 purchased.

Return for the number of saddles purchased was asked for on March 8th and was only brought down on March 26th and showed that 11,000 saddles were ordered at \$45.00 each. (See Sessional pps. 207).

MOTOR CYCLES.—57 purchased.

A return was asked for on March 8th and brought down only on April 1st. 57 were ordered ranging from \$300 to \$315.00 (See Sessional pps. 227).

CANVAS SHOES.—95,000 pairs purchased.

At \$2.00 a pair costing the Country \$190,000.00. (See memorandum European War 1914-1915).

The Country will require some explanations as to what use was made of these.

OLIVER EQUIPMENTS.—54,500 purchased.

Price paid per set \$6.75 an expenditure of \$373,475.00. **All discarded.** On April 5th, 1915, General Hughes in answer to a question asked by Mr. E. M. Macdonald, M.P. for Pictou, N.S., in regard to Oliver Equipment supplied the first Contingent stated:

“It is reported that the Oliver equipment was withdrawn, and the division completed with Webb equipment from the British ordnance.” (See Unrevised Hansard, April 5th, 1915, page 2070).

OVERSHOES.—120,000 purchased.

Return showed that 120,000 overshoes were purchased at prices ranging from \$1.70 to \$1.96 per pair. (See Questions and Answers, Hansard, Feb'y 22, 1915.)

RAZORS.—62,363 purchased.

Up to February 22nd, 1915, 62,363 razors were purchased at from \$4.85 to \$9.00 per dozen. (See Questions and Answers, Hansard, Feb'y 22, 1915.)

Returns were asked for showing the number of blankets, coats and great coats, socks, towels, etc., which have been purchased by the Militia Department for the War. The Government doubtless had this information at their fingers' ends but the Session closed and nothing was brought down.

With this statement it can be readily seen how easy it was for the Government to delay investigation in these war contracts, particularly when it is noted that it took the Boot Committee 26 days to investigate one item and the Public Accounts Committee investigated 9 items in 18 days.

The Patronage Maggot.

The Ottawa Citizen, for many years the leading Conservative newspaper of Eastern Ontario on March 24th, 1915, commented on the absolute proof of the working of the Tory Patronage System as revealed in this investigation, in the following editorial:

WHERE ARE THE LOYAL ORDERS?

“There is a maggot eating at the heart of Canadian national life; and independent citizens of this country are standing by in silence, witnessing the work of the greedy maggot without a murmur. Materialism has burrowed into the body politic so deep that even things most dear to the honor of a nation do not escape it. Young men, young soldiers, are voluntarily giving their all, their lives, in defence of British freedom, British honor and British tradition; and the political maggot is eating into the health of the citizen army through the soles of its rotten boots.

Having eaten into the health of the soldiers who were strong and well, the maggot is now fattening on the sick and wounded, broken in the Empire's war. Field dressings, even the salve and balm and bandages, for the poor broken limbs and shattered bodies of Canada's wounded men and boys, have been made a medium for the cursed maggot to ply its loathesome business. Where are the upholders of British tradition, the loyal orders, the sons of England and the sons of honor in Canada? Must they remain for ever silent while such damnable maggotry is being laid bare?

Here it has been demonstrated and confessed before a committee of members of Parliament that a junior clerk in the Carleton Drug Company—of which William F. Garland, M.P. for Carleton, is principal owner—has made a profit of \$9,000 on an order for forty thousand dollars worth of field dressings and other necessities intended for the brave men at the firing line. The drug clerk, a mere inexperienced youth, paid about \$15 a week, is introduced to the militia department under the scoundrelly political patronage system tolerated by the pinchbeck political practise of this country.

It is pretended that the junior clerk of the Carleton Drug Company is allowed to appropriate this patronage-begotten \$9,000 of public money without hint or interference regarding its disposal by his political masters. Taking the pack of patronage middlemen at their political

word, and assuming that the \$9,000 of profit on the field dressings and necessities for wounded men is to be disposed as pretended, is it not enough to bring tears of shame and indignation to the eyes of every lover of Canada and British honor?

The Red Cross fund is having to appeal for more help; and many good people are giving of their scant earnings to do what little they can for the tender nursing of the Empire's broken men. For the sum of \$9,000 eighteen trained nurses could have been sent from Canada and maintained at the saving line for a whole year—perhaps till the end of the War—to wash the wounds and soothe, the pain-racked bodies of Canada's injured Soldiers. One hundred and eighty Red Cross beds could have been sent to the saving line to lay weary, shell-torn and shattered men upon, in cleanliness and comfort, so far as comfort is possible. But the \$9,000—just one instance of the work of the maggot eating at the heart of Canada—is now deposited to the account of a junior clerk of the firm of the Carleton Drug Company, of which William F. Garland, M.P., is principal owner.

And the political colleagues of the honorable member for Carleton gloss over the work of the maggot by asking smooth questions. Field dressings and first aid necessities for the wounded are made to yield up a profit of 28 per cent—\$9,000 of public money—to a politically appointed agent; and Mr. Blain of Peel glibly asks, "Is that regarded as high in your business?" And Mr. Fripp of Ottawa says to the Carleton Drug Company's junior clerk, "You do not have to account to anyone for the amount?" The clerk answers, "No." Says Mr. Fripp, honorable member for this Capital and royal city, "You are going through college and this will help you?" And the obedient clerk answers, "Yes." And the loyal citizens of Canada are quite calm and unmoved about it!

Within a few weeks the political packs will have scattered across the country, and if the ring-leaders have their way Canada will be plunged into the swirl and swill of a general election. Such patriot gentry as the head of the Carleton Drug Company, and the sophist members of the committee investigating the profits over the bodies of wounded soldiers, will be expanding themselves upon political platforms and appealing for the support of the loyal orders and believers in British tradition and honor! They will vow themselves to be the saviors of the Empire. What will the loyal orders and independent citizens say? Britain would surely abhor and repudiate such professed aid. Will it seem well in the sight of the Great Architect of the Universe?

The Soldiers' Boots

History tells us that Nero fiddled while Rome was burning. The historian of the present war will tell future generations that when Canada and the Empire were in danger General Sam Hughes outdid Nero's indifference to the national peril by giving a score or more of the 8,000 "good boys" whom he had placed on the Patronage List huge orders for inferior boots, and that these inferior boots were supplied to the men who went out to face death in order that Canada and the Empire might live. The story of the boots supplied the Canadian soldiers is a disgraceful one, but quite in keeping with the other War Scandals of the Borden Government. Had it not been for the work done by the Liberal Members of the Special Committee appointed by the House of Commons to investigate the Boot Scandal the facts would never have become public.

FIRST BLUNDER WAS FATAL.

To fully appreciate the bungling and incapacity of the Government in their failure to provide the most important part of the soldiers' outfit, it is necessary to know the position of affairs in the Militia Department at the outbreak of the War in August, 1914.

At that time there was in the Militia Department an ankle boot made by the Slater Shoe Company which had been sealed in 1905 by the officials of the Department as the Pattern Boot according to which all boots afterwards required for the Permanent Force were to be made. This Sealed Pattern was not an Active Service Boot. In make and shape it was similar to the ordinary walking boot used by civilians in Canada, and was suitable for soldiers only in times of peace and to wear on parade or about the barracks. Neither was it the boot used by the soldiers in South Africa. That fact was proved beyond any doubt before the Special Committee of the House of Commons where the evidence of Assistant Director of Stores McCann established that the boots used in South Africa were supplied by A. W. Reddin and the Vankleek Hill Shoe Company and not by the Slater Shoe Company.

When War was announced in August last and it became necessary to purchase large quantities of boots for active service, several boots made for the Borden Government in 1913 by Gauthier of Quebec, and accepted without proper inspection, were selected from the Ordnance Stores at Ottawa as being in every respect similar to the Slater Sealed Pattern of 1905, and these Gauthier samples were handed around to various manufacturers as models for the Active Service Boots that they were to make under their Contracts with the Militia Department. In no case were specifications furnished the Contractors. It was proved before the Special Committee of the House of Commons that these Gauthier samples were inferior to the Slater Sealed Pattern

Boot of 1905, and, as has been pointed out, the latter was never intended for an active service boot. Hence at the very outset a fatal blunder was made by the Government in ordering boots that were not fit for active service, and that blunder has been repeated over and over again.

NUMBER OF INFERIOR BOOTS ORDERED.

In the month of August, 1914, orders were given for 65,000 pairs of these inferior boots. In September a second order for 32,867 pairs was given. The boots of this second order were to be made from the inferior Gauthier samples and from some samples furnished by the Contractors themselves. On October 8th, 9th and 10th, further orders were given for 30,000 pairs. All the boots were ordered up to this time were to cost \$3.85 per pair. On October 24th the Department of Militia made a change in the sample boot by providing a double sole and between October 29th and November 4th, orders were placed for 40,532 pairs of these double-soled boots at \$4.00 per pair.

BOOTS BOUGHT FROM MIDDLEMEN

Later on in the month of November under instructions from the Acting Minister of Militia to purchase boots locally in Winnipeg, the Senior Ordnance Officer in that City, bought 3,798 pairs of boots from middlemen. These middlemen had the boots manufactured in different factories in Ontario and Quebec at prices ranging from \$3.40 to \$3.60 per pair, while they charged the Government an average price of \$4.00 per pair. Afterwards several other orders were placed in Vancouver and in other parts of Canada, and in all, the Department purchased 180,664 pairs of boots. These boots sell at retail for from \$5.50 to \$6.00 per pair.

NO PROPER INSPECTION.

The purchases having been made in the manner above stated, it is of interest to ascertain how the boots were inspected.

Up to the end of the year 1911 the Inspector of boots in the Department of Militia and Defence was a practical boot and shoe maker. He was dismissed without cause in December 1911 and in his place another gentleman was appointed, who had had no experience as a boot maker or as a tanner, and whose business immediately prior to his entering the Department had been that of a broker. It was because of this dismissal that the boots supplied by the Gauthier Company in 1913 were not properly inspected. Then in August last when the first War Contracts under the inferior Gauthier samples were awarded, five other boot Inspectors were employed, all of whom owed their appointment to political pull, and the majority of them had had no experience as boot and shoe makers. All practical men admit

that the only way in which boots can be properly inspected is to follow them through the various processes of manufacture in the factory. In the case of the Government orders, inspection in the factories took place only in a limited number of cases. The general inspection was done by making a superficial examination of a finished boot. Thus it was impossible to tell what material or workmanship was contained in the interior of the boot, and obviously inspection of this kind was absolutely worthless.

Another thing that made the inspection a farce was the fact that all the Inspectors used the same stamp so that it was impossible to identify the man who had passed defective boots. The Inspector who was dismissed in 1911 had a special stamp bearing the initial letter of his name, and thus his work could be traced in every case. Under the Borden Government no such useful record was desired and the incompetent Inspector could stamp bad boots without any fear of being detected.

In the case of the first order given in August last, 13,926 pairs of boots were delivered at Valcartier without any inspection whatever. This was the case also with the boots purchased months afterwards at Winnipeg and Vancouver. Under all the circumstances, therefore, it is not surprising that so many bad boots were accepted and paid for by the Government.

BOOTS CONDEMNED.

The boots issued to the soldiers in different parts of Canada had not been worn for a month when complaints regarding them began to come in to the Department. These complaints grew in frequency and number and in time became the subject of comment in the public press. An attempt to head off the rising storm of indignation was made by the Minister of Militia when in December last he appointed a Committee composed of Colonel W. Hallick, Theo. Galipeau of Montreal and E. A. Stephens of Ottawa to hold a Departmental inquiry. This Committee did not examine any witnesses under oath, but they expressed a unanimous opinion as to the unfitness of the Gauthier sample-boot, according to which the boots supplied the soldiers were made. That opinion was in these terms:

"That the boot was of unsuitable shape and make
"and that the leather contained no water-resisting
"medium:

"That the heels and soles are unprotected and
"sole-fitting is often poor quality:

"That the boot was unsuitable for the soldiers
"and for that particular work for which they were
"provided, because:

(a) "The shape is such that the average foot has
"not room for the free movement of the toes and is
"thus not suitable for marching:

(b) "The leather is dry, containing no grease, and consequently quickly absorbs the water:

(c) "Soles and heels not being re-inforced with metal, soon wear down, especially when wet."

This condemnation of the sample boot was confirmed by practically every one of the 87 witnesses, who appeared before the Special Committee of the House of Commons. That being the case, it is not surprising that the boots manufactured from these samples failed so miserably, even under ordinary weather conditions in Canada.

ALDERSON AND PERLEY CONDEMN THE BOOTS.

Shortly after the First Expeditionary Force reached England, General Alderson, the Commander of the Canadian Troops, cabled the Government as follows:

"The boots now being issued to the Contingent are not suitable for rough wear in wet weather. Please cable instructions for purchase of boots here if we can obtain them."

Instead of cabling General Alderson the instructions for which he asked, the Minister of Militia, General Hughes, at once purchased 48,000 pairs of overshoes from a few of his "good boys" and then sent General Alderson this cablegram:

"Reference your cable re boots 48,000 pairs overshoes already shipped. Will these meet your requirements?"

To this idiotic message General Alderson sent the following sarcastic reply:

"It has been found that overshoes do not compensate for faulty construction of boots. Some pairs are useless after ten days wear. Special report is being made."

Having failed to induce the Minister of Militia to do what any man of ordinary common sense would have done under the circumstances, General Alderson evidently had a conference with Sir George Perley, Minister without Portfolio in the Borden Government who is Acting High Commissioner in London. On November 24th, 1914, Sir George Perley cabled Sir Robert Borden at Ottawa as follows:

"Authorities consider boots too light altogether; say only heavy marching boots adapted to campaigning; find general complaint on this account regarding

"boots given our Canadian Contingent; stated they will not stand mud and water and heavy work. Consider overshoes impracticable as they are heavy to walk in and will only last short time on hard roads. In my opinion next contingent should be provided with boots made on regulation army pattern."

To this message no reply seems to have been sent. Failing to get any satisfaction from the Government at Ottawa, General Alderson ordered the 33,000 pairs of Canadian boots supplied the soldiers of the First Expeditionary Force to be thrown away and in their place he issued an equal number of British Army Boots.

MILITARY BOARDS CONDEMN BOOTS.

Equally sweeping in their condemnation of the Canadian Boots were the 90 or more Regimental Boards of Inquiry that sat in England and in Canada and reported the result of their findings to the Government at Ottawa. The majority of the Reports of these Boards were dragged out of their pigeon-holes by the Liberal Members of the Special Committee of the House of Commons, and many of the witnesses mentioned in the Reports were examined under oath before the Special Committee. It is important to cite a few extracts from their evidence so as to show the opinions held by the soldiers themselves regarding the boots supplied them by the Borden Government.

WHAT SOME SOLDIERS SAID.

Private McGarvie of the 6th Field Ambulance, Montreal, who had served 7 years in the Royal Scotch Fusiliers and whose occupation is that of a shoe maker described the boots served out to his Company as "rotten."

Quartermaster Sergeant Wainwright of the 31st Battalion, Calgary, who had served 12 years in the Imperial Army and who also is a shoemaker, described the boots as too light and flimsy, and said that out of 1,093 boots that came under his inspection there were not a dozen pairs as good as the inferior Gauthier sample. Of the boots which he examined and found defective he said that the biggest percentage was made by Gauthier of Quebec, and Ames, Holden & McCready of Montreal.

Officers and privates stationed in different parts of Canada testified that the defective boots resulted in men contracting colds, and otherwise becoming ill and unable to follow the prescribed training, as a result of which, much delay and inconvenience was caused at many training points. On this score the most damning evidence against the Government was given by certain witnesses from Halifax.

TIED SHINGLES AND BAGS ON BOOTS.

Major F. W. Doane of the 63rd Regiment testified that after about a fortnight's use the boots issued to the men of his Regiment were worn through so that the men's feet were on the ground. He added that "they had to tie shingles and bits of board and "pieces of bag across the bottoms of their boots to keep their "feet off the ground."

Captain F. C. Kaizer of A Company, Halifax, gave evidence to the effect that in his Company there were three or four men who went around for a week or ten days with canvas bags tied to the soles of their boots, so as to prevent their feet coming out on the ground, and that it was a common occurrence to see men with their feet in this condition going up and down on the boat that plied between Halifax and the Camp on McNab's Island in Halifax Harbour.

MEN BECAME TUBERCULAR.

Captain C. A. Mumford, also of Halifax, was another witness who in the course of his evidence said that the health of his men had been affected through the failure of the boots supplied to them, that three of the men had contracted heavy colds, had become tubercular, and had been put out of the Regiment. Particulars regarding these men, will be found on Page 377 of the Printed Proceedings of the Boot Committee.

OTHER EXPERIENCES.

Evidence as to the rapidity with which their boots went to pieces, was given by a large number of other soldiers, some of whom testified that their toes came through their boots, when wet and after only a few weeks' wear.

Colonel Hughes, the brother of General Sam Hughes, told the Committee that the boots supplied the men of his Regiment, then stationed at Kingston, Ontario, looked more like moccasins than boots when they were wet.

In the case of the men of the 25th Battery and Ammunition Column, 7th Artillery who were mobilized in Ottawa in the month of March, 1915, it was sworn by Lieut. Anderson that the boots supplied to his men went to pieces in less than 2 weeks, although the men were stationed at the armouries in Ottawa and had undergone no hardships whatever.

Instances such as the above could be multiplied, but as they are all contained in the Printed Record of the Proceedings before the House of Commons Boot Committee, it is not necessary to repeat them here.

CONDEMNED BY THEIR FRIENDS.

In view of the evidence given by the men who wore the boots as to their absolute unfitness for active service, special

significance attaches to the testimony of certain manufacturers who appeared before the Committee.

Mr. N. Tetreault of the Tetreault Shoe Co., Montreal declared that it was ridiculous to put on a soldier's foot such a boot as had been supplied by the Militia Department.

Mr. W. S. Matthews of the Ames, Holden, McCready Co., of Montreal stated that the boots were never meant for foreign service and that when they were issued by the Government the latter fully realized that they would not stand any hard wear.

Mr. Alfred Minister of the Minister Myles Shoe Company, Toronto, swore that when he was asked to supply boots similar to the inferior sample, he declined to do so as he "did not want "to make any money out of a man's life."

These men are friends of the Government and are on the patronage list. In the light of their testimony there is no escape for the Government. But it is urged by some apologists that the Government may be excused on the ground of urgency. That excuse is of no avail for Mr. Tetreault swore that the Government could without much trouble or delay have provided a proper boot suitable for soldiers on active service and that they could have got all the new lasts they would have required in a week's time. It is thus clear that the delays, the discomforts and the illness that befell the soldiers as well as the enormous loss of money to the public are directly attributable to the incapacity and inaction of the Government.

WHAT DID THE GOVERNMENT DO?

With incompetent Ministers in the Council Chamber and a horde of hungry followers without, it is not surprising that the policy which the Government pursued with regard to the request of General Alderson, has continued to be its policy up to the present time.

In January, 1915, it looked as if practical action would be taken to rectify the bungling of the previous five months. About the date mentioned, the Government had taken the letting of Contracts away from General Hughes and had appointed a Sub-Committee of the Privy Council, presided over by Hon. J. D. Hazen, to superintend the purchase of War supplies, including boots. This Sub-Committee of Council held interviews with representatives of boot manufacturing firms and adopted a sample of Active Service Boot and a specification which these representatives had prepared and submitted to the Government. Mr. Hazen informed the representatives of the boot manufacturers that the Government would order 110,000 pairs of these Active Service Boots. Before this order could be carried into effect, General Hughes came on the scene again and prevented any action from being taken by appointing as Chief Adviser on boots a Toronto tanner who admitted under oath that he had never made any boots and that he was going about seeking information as to the proper kind of Active Service Boot to recommend to

the Department. In this way months of time have been wasted and the inferior boot as manufactured in August last, has continued to be supplied to the members of the Second and Third Expeditionary Forces.

Extraordinary and criminal as their conduct must appear to every man not blinded by party prejudice, the Government did not cancel one contract, nor in the face of the evidence in its possession and of the statement made by General Sam Hughes at Calgary and at Edmonton that he would shoot the men who made the bad boots if he could find them, did it make any effort to stop the delivery of the inferior boots, although some of them were delivered as late as the month of March, 1915.

But, this is not by any means the worst feature of the Government's criminal neglect in its treatment of the Canadian soldiers. While Sam Hughes' Chief Adviser on boots has been drawing \$10.00 a day as well as travelling expenses and reasonable living expenses, since the month of January last without making a report or coming to any decision, requisitions for boots have been piling up in the Department without any attempt being made by the Government to procure boots of any kind for the soldiers who were in urgent need of them.

Giving evidence before the Special Committee of the House of Commons, Colonel J. F. Macdonald, the Director of Clothing and Equipment, swore that in the month of April, 1915, there were requisitions at Headquarters in Ottawa for 20,000 pairs of boots, which the Department was not able to fill. No attempt was made to explain or contradict this statement before the Committee or before the House, and thus the Government stands convicted not only of gross incompetence but of the most callous indifference and neglect.

As every man who has been on active service insists that the boot is the most important part of the soldiers' equipment and that the soldier is rendered inefficient by inferior boots just as surely as he would be if supplied with an out-of-date rifle, it needs no argument to illustrate the fact that the Government not only failed at the outset to adopt the most elementary principle that applies to the equipping of an army, but that it has failed to grasp that principle even after the experiences of the last nine months. The sufferers are the brave men who have gone to France and Flanders to defend Canada and the Empire and the beneficiaries are the friends of the present Government, to whom fat contracts were given and who were allowed to equip the men of the Second and Third Expeditionary Forces with boots that had been condemned by General Alderson, Sir George Perley and a host of military authorities.

SOME OF THE GRAFT.

Among the beneficiaries are the Winnipeg middlemen whose rake-off varied from 40 cents to 60 cents per pair on all the boots they sold to the Government. Then there is also Mr. Charles

E. Slater, the middleman who was placed on the patronage list by General Sam Hughes and whose rake-off on the Contracts given the Gauthier Company of Quebec amounted to \$15,275.00. Weeks after these revelations had been made public, Sir Robert Borden had the audacity to allege in Parliament that the total loss to the Country from the war-grafting of his political friends would be only \$3,000.00 Is such a man fit to be Prime Minister of Canada?

Another method of helping their friends was devised by the Government when they allowed several contractors to substitute a cheap side leather for the more expensive calf leather from which the boots were supposed to be made and these contractors were paid at the prices quoted for calf boots. It was sworn that the change in the leather made a difference of at least 20 cents per pair in the price and a refund on this basis was asked from two contractors who had made the change without permission from the Department. But in the case of the Ames, Holden, McCready Co., it was proved that they had been allowed to substitute the cheaper for the more expensive leather and had not made any refund nor had they been asked to do so.

If fuller details regarding the boots supplied the Canadian soldiers are required they can be obtained by reference to the Printed Record of the Proceedings before the Special Boot Committee of the House of Commons, to the speeches made by the Liberal Members of the Special Committee, viz:—Honourable Charles Murphy, M.P., E. M. Macdonald, M.P., and E. W. Nesbitt, M.P., and published in Hansard of April 12th, 1915, and to the Minority Report of these gentlemen as contained in Hansard of the same date.

In spite of the foregoing the Borden Nationalist-Conservative Government, planning a Khaki election, has flooded the country with literature bearing the flag-waving slogan "BORDEN BACKS BRITAIN"

Where quotations of the evidence before the Public Accounts Committee in this pamphlet are indicated by the page number in the Public Accounts Committee evidence, the page number given is that of the daily report of the evidence published while the Committee was sitting. The revised and bound edition of the evidence, not available as this publication goes to print, is differently paged.

War Contract Scandals

Horses

Boots

Drugs

Binoculars

Motor Trucks

&c., &c., &c.

Read the Evidence!

Published by the Central Information Office
of the Canadian Liberal Party
Ottawa, May, 1915

