

WANTS WAR MUNITIONS CONTRACTS THOROUGHLY PROBED

Hon. Dr. Pugsley Calls For a Special Committee of Parliament to Investigate Purchase of War Munitions and Supplies.

BRITISH AND CANADIAN TAXPAYERS BLED

Alleges That Twenty Million Dollars of the People's Money Has Been Wasted--Sir Robert's Unfortunate Interruption.

Ottawa, Jan. 20.—At the opening of the House today, Hon. William Pugsley resumed his speech on the address. Dr. Pugsley quoted newspaper interviews given by Mr. D. A. Thomas, in which the representative of the British Minister of Munitions was reported as saying that the prices charged for shells in Canada were higher than those paid in competitive countries and that until June last only two per cent. of orders placed in Canada had been delivered. Mr. Pugsley said that until the end of December the orders placed in the Dominion for shells and shell boxes amounted to \$265,000,000, and argued that Canada would eventually have to pay a share of that, based upon the proportion which the Canadian forces in the field bore to the armies of Britain. The Dominion would, therefore, have to pay part of the excessive prices paid to Canadian makers of munitions.

Dr. Pugsley said that Hon. Arthur Meighen had admitted, in a speech he made at Port Arthur, or Fort William, that excessive prices were being paid and had suggested that a tax be placed upon excessive profits. The member for St. John held that a tax should not have been placed on excessive profits, but steps should have been taken to bring the prices down to a reasonable level.

Manufacturers Not Responsible.

He asserted that the manufacturers were not responsible for fixing the prices. The Shell Committee had fixed the prices. It had no incentive to reduce prices, since several of its members were interested in munition firms. Moreover, it had taken up its work, not with the idea of keeping down shell prices, but with the idea of relieving business depression, of helping small industries, as well as large ones, and, it would appear from its actions, of distributing orders to

political favorites. Dr. Pugsley quoted editorial articles from newspapers urging that manufacturers should not be permitted to exact undue profits on contracts for the supply of munitions. He argued that there should be an investigation of purchases of shells through the Shell Committee, just as there was an enquiry into the buying of other war supplies. Although the committee was engaged in placing British Government contracts, it was named by the Canadian Government, and Canada would have to pay a share of the money expended.

Parliament Must Probe It.

Dr. Pugsley said that the people would not be satisfied with a government investigation, as the Ottawa Journal had suggested. "They will demand," he said, "that a thorough enquiry be made by Parliament, or a committee of Parliament, in the full light of day."

Dr. Pugsley said that the conditions which he had outlined could not be remedied by the taxation of extra profits of shell manufacturers. Taxation would avail nothing to the British treasury, but would simply present the anomalous spectacle of the Canadian government fixing excess prices for the manufacturers, who included members of the very Shell Committee which awarded the contracts, and then taking these profits back again.

After quoting from the contract record of Toronto, to the effect that the Canada Foundries Company had made over 150 per cent. on its shell orders, Mr. Pugsley compared this fact with the statement made by Sir Sam Hughes at a meeting in Toronto, when he had claimed that shell orders had put \$350,000,000 into the pockets of the working man. Who were the working men? The men who worked in shell factories or the men who worked the Shell Committee?

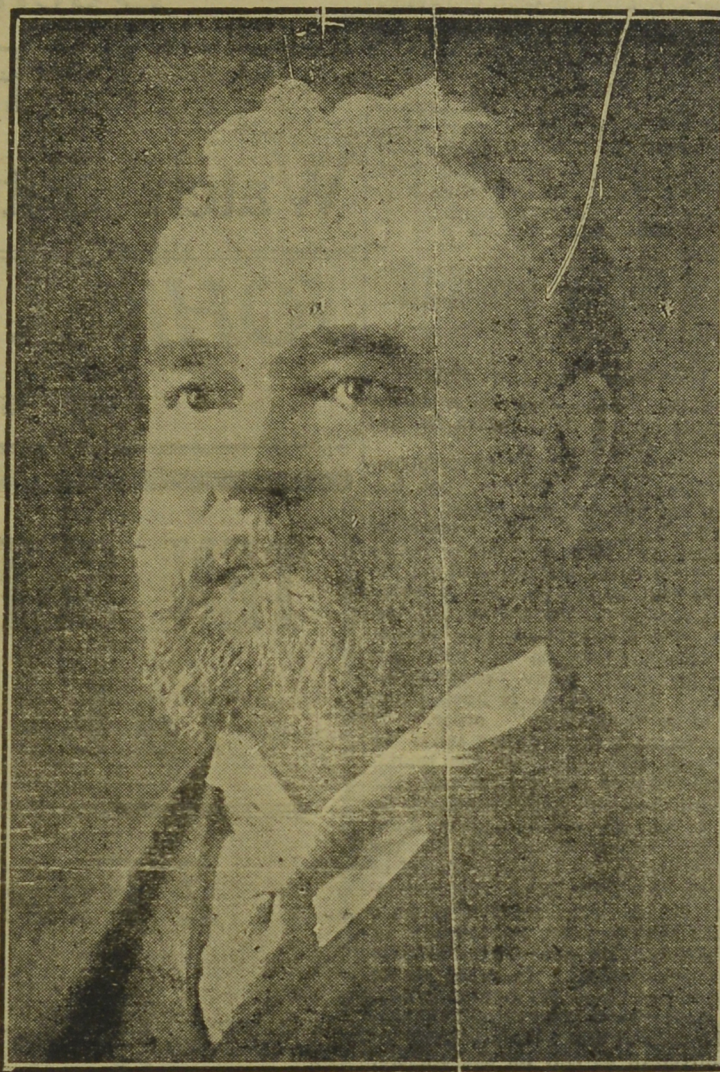
Juggling With Contracts.

Mr. Pugsley then read another newspaper clipping, which instanced an alleged case in which the shipping clerk of a box manufacturer had succeeded in obtaining a contract when his own employer had been refused one for his plant. The clipping also referred to the fact that Liberals had been given contracts when Conservatives could not get them.

Hon. Arthur Meighen—"Hear, hear." Mr. Pugsley retorted that he had never claimed Liberals had obtained no contracts, but that any who did so had the experience, capital and in most cases the plant ready to do business. He instanced the case of Mr. F. P. Jones, of the Canada Cement Company, who had offered to manufacture shells for the Shell Committee at a lower price than orders were being

Cochrane's Foolish Talk.

Mr. Pugsley then claimed that a proper and patriotic action would have been government utilization of the Transcona machine shops for the manufacture of shells. Yet the Minister of Railways had been reported as saying that there could be nothing madder than for the government to attempt to compete with private firms. He did not seem to realize even yet that this war hinged on the successful production of munitions by the Allies. He quoted from the Montreal Gazette a report of an offer by the Railway Department of the Transcona shops. Had the offer been carried out? No, but instead, these shops had been leased to a private company, organized by a member of the House, for the purpose of carrying on shell manufacture for private profit. And



HON. WILLIAM PUGSLEY.

given for at the time. The Shell Committee had refused, whereupon Mr. Jones had gone to Sir Robert Borden, who had assisted him to get a contract at a lower price.

Sir Robert Borden rose to state that he had done nothing to fix prices. He had merely arranged an interview between Mr. Jones and Mr. D. A. Thomas, representative of the British Minister of Munitions, who was fixing prices at the time.

The reason given by the Minister of Railways for all this had been that it would cost \$125,000 to equip the Transcona shops for shell manufacture.

How Australia Did It.

The Australian government, said Mr. Pugsley, had proceeded in a very different manner. Its arrangement was that war contracts should run until March of the present year, although the Government had the right to revise the figures at any time, and that three months' notice was to be given before the termination of the contracts. The Minister of Militia had been seeking to excuse the high prices paid in Canada by the fact that shell orders had been spasmodically given, and were uncertain. Why had he not made such an arrangement as the Australian government?

The price at which the Australian Government had furnished 18-pounder high explosive shells, said the member for St. John, had been \$5.05, this including the machining of the shell and the steel billets required for its manufacture.

\$2 More Than Australia's Price.

The Canadian price had been \$5.70 for mere machining, the steel billets being supplied free by the shell committee. As they cost nearly \$2 each, it meant that every Canadian shell had cost nearly \$2 more than every Australian one. There was no other conclusion to be drawn than that some gentlemen on the Shell Committee, heads of large firms which had obtained large orders, were quite contented that the country should pay enormous prices, and made no attempt to get lower ones, since for every excess dollar paid a certain portion had gone into their own pockets.

It had been a pretty situation for the Government to place the people of Great Britain and Canada in. Only after dissatisfaction with the conduct of the Shell Committee had reached the Motherland, and Mr. D. A. Thomas had been sent out to Canada, had these things been discovered.

The Machine Gun Bungle.

Mr. Pugsley then took up the question of machine guns. When the Canadian troops had gone to the front they had been supplied with machine guns in small proportion to those of the German forces, and for this reason they had been mowed down like wheat. Although the Minister of Militia visited England and went to the front, and should have known that such a lamentable deficiency existed,

SHELL COMMITTEE WILL NOT BE INVESTIGATED

INQUIRY REFUSED.

Ottawa, Jan. 20.—The Canadian shell committee and its workings are to be immune from investigation by the Canadian parliament, the Canadian government or any one else. Hon. Arthur Meighen, the government's defence counsel, was chosen by the administration this afternoon to convey that announcement to the House and the people, whose interests, as solicitor, he was appointed to represent.

Mr. Meighen has had nothing to do with the shell committee and General Sir Sam Hughes, who is credited with having organized the industry and who, as honorary president of both the old and the new board of munitions, has had a closer connection with their workings than any other member of the government, did not even deign to be present in the House.

So Mr. Meighen appeared again in the role of chief apologist for the government, a role which he has taken on many occasions since entering the government. On the present occasion his powers of special pleading and keen casuistry were taxed to quite as great an extent as during his championship of the Canadian Northern legislation, the closure bill and other measures with which he has been connected in the past. He was called upon to defend the workings of a committee which, after having disbursed \$265,000,000 of British money, was, at the instigation of the representative of the British minister of munitions, Lloyd George, abolished and reorganized on a new basis.

Upon his shoulders fell the task of pleading away the charge made by the representative of Lloyd George himself that the prices fixed by the committee were higher than those charged in England and in the United States, and that Canadian shell-makers had reaped profits much greater than they were entitled to. And to him was entrusted the difficult mission of explaining to the House and the people the reasons why the government did not propose to grant a committee of investigation into all the workings of the board.

said Mr. Pugsley, no word of this had been allowed to go out to the public and no steps had been taken to remedy the state of affairs, until Colonel Currie and Colonel Meighen had returned, and by their public addresses had made the situation clear. Senator Loughheed, acting Minister of Militia, had then stated in the press that the government would be glad to receive machine guns, and upwards of \$2,000,000 had been contributed for this purpose. Every thousand dollars of that sum would constitute a strong indictment of the Government. It would be of no use for the Minister of Militia to plead that even the British War Office officials had not foreseen the need that would exist for machine guns, said the member for St. John; he must or ought to have known that this great deficiency existed, and should have taken steps to remedy it. Meanwhile Mr. Pugsley would like to know what had been done with the \$2,000,000 subscribed for machine guns.

The Government's Responsibility.

In conclusion, Mr. Pugsley paid a tribute to the manufacturing ability of the Canadian people. Not on the manufacturers, but on the Government, which was responsible, through its Shell Committee, lay the blame for any wrong-doing which might have occurred. Mr. Pugsley demanded a complete and thorough investigation of the whole matter by a committee of Parliament.

The refusal of the government to grant an investigation was backed by the tu quoque argument that the late Liberal government in 1903 had refused to grant an inquiry into the purchases of hay and oats for the reason that British money only was disbursed and that the British government had registered no complaint. The same reason, he declared, would hold good in the present case for a refusal to grant an investigation.

To the reply from the opposition side that the Canadian treasury was, according to the statement of the finance minister, affected to the extent of the proportion of the shells manufactured which were used by the Canadian troops at the front, Mr. Meighen offered the reply that the same would hold good of purchases made in Japan or the United States by the British government of goods used by both the British and Canadian troops.

To supplement the reasons given for the refusal, Mr. Meighen declared that no charge had been made against any member of the cabinet or the government, because no member of the cabinet had been connected with the committee. If any member of the government had been connected with the committee and charges were brought forward, the government would investigate, as it had done in 11 other cases.

HATTERS MEIGHEN'S DEFENCE

The effectiveness of the defence of the solicitor general was considerably marred by the reply of G. W. Kyte, member for Richmond, who quoted from a speech made by Premier Borden last session when the organization of the committee was announced. Mr. Kyte premised his argument for an investigation by the concluding statement of Mr. Meighen and then proceeded to show that according to Premier Borden's statement four of the members of the committee were to represent the militia department, that the chairman would report weekly to the minister of militia, and would meet regularly at his call, and that the committee was his, the minister of militia's, committee.

"I call upon the government to grant the investigation on the very premises laid down by the solicitor general," said Mr. Kyte. "Surely for the purpose of escaping investigation, the prime minister will not attempt to make the people believe that the committee has been transferred overnight from the Canadian government and the minister of militia to the British war office."

The prime minister was not there, and there was silence from the government side of the House.

MAUGERVILLE.

Maugerville, N.B., Jan. 20.—The sum of \$45 was realized at the concert and social in the Temperance Hall, Lower Maugerville. The proceeds go toward the maintaining of a bed in the hospital of the Duchess of Connaught. The numbers on the program were much appreciated, particularly the readings by Messrs. Killum, Penley and Little Miss Florence Burns. The vocal selections by Misses Gibberty and Mrs. Sadler were rendered very nicely. The Flag Drill by the children of District No. 2 met with applause.

The Bachelor Maidens of Maugerville pleasantly entertained at an At Home at the residence of Mr. and Mrs. Ketch. The young ladies proved most efficient hostesses. The chaperones were Mesdames Ketch and Foster. The young ladies on the committee were Misses Lulu Seelye, Gertrude Killum.

Miss Laura Perley has returned to Sackville to resume her studies at the Ladies' College.

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