

NOTICE TO ADVERTISERS.

In order to ensure changes being made in advertisements copy must reach this office not later than nine a.m. on the day of publication.

The Daily Mail

THE WEATHER.

Maritime — Moderate to fresh southwest winds, fair and warm with a few local showers.

VOL. XX NO. 136

FREDERICTON, N. B., WEDNESDAY, JULY 22 1914

TWO CENTS PER COPY

DULLNESS IN STOCK MARKET

Traders are Marking Time Pending the Rate Decision of I. C. C.

Transactions This Morning Were Generally Small and There Were Few Price Changes

New York, July 22.—While there were declines in most of the active stocks at the opening, the initial losses were generally small and were reduced or wiped out on the next few transactions. Attendance in the Commission Houses was light and brokers expected a continuance of dullness until the rate decision was published. The president's order to the attorney general to proceed against the New Haven road recorded an overnight loss of two points in the stock but even in that issue there was a recovery at the end of five or six minutes.

After the opening the market became very dull and at the end of the first half hour was quiet but firm, stocks holding their recovery from the opening decline.

(Quotations by J. M. Robinson & Son, Bankers and Brokers, Fredericton, N.B.)

	Open	Noon
Copper	69½	69½
Brooklyn	91	91
Tobacco	231½	231½
C.P.R.	186	185½
Lehigh	136½	134½
Northern Pacific	109½	109½
Pennsylvania	110½	110½
Reading	162	162½
Union Pacific	127½	127½
U.S. Steel	61	61½

Sales to 11 o'clock, \$2,000.

MONTREAL MARKET.	
Crown	118
Brazilian	73½
Textile	69½
Power	230
Winnipeg	190
Commerce Bank	205
Shawinigan	132
U.S. Steel	52

GOVERNOR WOOD IS IN THE CITY

His Honor Here to Confer With His Advisers on Political Matters--Fleming a Dead One

His Honor Lieutenant Governor Wood arrived in the city this morning and is a guest at the Queen. He is here to confer with Acting Premier Clarke in regard to certain matters which are at present being much discussed by the people. Acting Premier Clarke has spent most of his time here since the legislature prorogued. While he is not very communicative in regard to his prolonged stay, it is understood that he is studying Fleming political methods and familiarizing himself with the details of the several departments. His duties are so arduous that last week he had to deprive himself of his usual week-end visit to his home.

The knowing ones say that as a result of Governor Wood's visit, there may very shortly be some announcements of a political nature. It is generally conceded in political circles that Premier Fleming is a dead one but there seems to be some hesitation in regard to calling in the undertaker.

MAINE MOTOR PARTY.

Dr. G. Wapton and wife and daughter of Sherman, Me., who are on a motor tour of the province, arrived in the city at noon.

BAND CONCERT SCHEDULE.

The schedule for civic band concerts for this week includes one to-night at Parliament Square by the Fredericton Brass Band and one at Wilnot Park Sunday afternoon by the same band.

WILL TOUR THE WEST

Political Leaders are Planning an Extensive Tour This Fall

Sir Wilfrid Laurier to Spend Six Weeks Touring the Four Western Provinces

Ottawa, July 21.—Grain harvesting and political seeding will synchronize in the west during September. Both political leaders, Sir Wilfrid Laurier and Sir Robert Borden will tour the country from Winnipeg to the Pacific Coast. Sir Wilfrid will spend six weeks covering each of the four western provinces in company with Hon. George P. Graham and other of the Liberal leaders. Sir Wilfrid will also hold meetings in Ontario, Quebec, and in each of the maritime provinces before the summer is over. The details of his itinerary will be announced shortly.

Sir Robert Borden, with Hon. W. T. White and Hon. L. P. Pelletier, will leave the capital for Winnipeg on Sept. 8, on a six week's speaking tour of the west. The first meeting will be held in Winnipeg, the second week in September.

The happy time they will have following Sir Wilfrid Laurier and explaining why they are opposed to free wheat and free agricultural implements and in favor of tariff revision upwards instead of downwards, may be imagined.

Liberalism's veteran leader will be back in the east towards the end of September and will then tour Ontario and Quebec.

If an election is to be sprung this autumn Sir Wilfrid and his followers will be ready for it, and will welcome an appeal to the public. Whether the government will decide to take the plunge or not will depend largely on the result of the premier's pulse feeling in the west next September. In any event, the government does not intend to summon parliament again until next January.

MAY HAVE BEEN SET BY FIRE BUGS

(Special to The Mail.)

Woodstock, July 22.—Although situated in a particularly dangerous locality, last night's fire was confined to the Drysdale and Dibblee buildings. Both buildings were totally destroyed and the large stock of cement, brick, lime and heavy hardware, carried by W. F. Dibblee & Son, is apparently a total loss. The fire was spectacular and the constant explosion of dynamite caps, sounding like musketry practice, added to the excitement. One very loud explosion was startling and made the crowd present scatter in every direction. It was feared some of the firemen working near the building were hurt, but two men received only a few slight bruises.

The Drysdale building is insured and W. F. Dibblee & Sons had insurance of four thousand dollars, with a probable loss of nine thousand dollars. The night police are convinced that the fire was of incendiary origin, owing to the fact that the Queen Hotel stable was fired at the same time, although there is a distance of a hundred yards between the buildings. No damage resulted from the stable fire as it was reached in time and extinguished.

BUILDING WELL ADVANCED.

The new residence of His Worship Mayor Mitchell, which is being built of concrete blocks, in Charlotte street, West, is now well advanced. The walls have been completed and the roof is now being placed on the structure.

STRUCK BY LIGHTNING.

Barns owned by Edwards Brothers of Scotch Lake, were struck by lightning last night and burned to the ground. The loss was about one thousand dollars. The contents were also destroyed.

Scott's Damaging Evidence Before Royal Commission

H. F. McLeod Wanted Him at First to Pay \$100 per Mile But Eventually a New Arrangement Was Made--Titus Carter Undertakes to Throw Mud at the Witness and Gets One Put Over on Him--McLeod Tries to Keep the Truth From Coming Out--Big Pickings for McLeod

(Special to The Mail.)

The inquiry to the Dugal charges re the St. John & Quebec Railway was continued today. Mr. Kelly of Scott & Kelly swore the same as Scott this morning as to the \$1500 payment to McLeod.

Mr. J. B. M. Baxter was paid \$812 by the Railway Company, \$500 of which he returned after keeping it until March 25, 1914. H. F. McLeod received over \$4000 from the Railway for legal services. A. R. Gould \$5000 a year salary and expenses.

St. John, July 22.—In a straightforward manner John S. Scott swore yesterday that he paid \$1,500 to Hon. H. F. McLeod, then provincial secretary in the provincial government, as the price of securing a contract on the Valley Railway construction work.

If there had been any room for doubt regarding the importance of this evidence it was removed by the bitter fight made to prevent its introduction. For more than an hour the battle waged but its admission was finally allowed by the commission.

Witness told in detail of suggestions made by Hon. Mr. McLeod for payment for his services in securing the contract for Mr. Scott. A percentage basis similar to that ruling in the collection of the timber limits graft was mentioned, \$100 a mile for the length of the section having first been suggested and later it was agreed that Hon. Mr. McLeod should receive half of the extra cent a yard allowed Mr. Scott for earth work as a result, he understood, of the intervention of Hon. Mr. McLeod.

Mr. Scott made his reasons for paying the \$1,500 quite clear. He swore that McLeod had assured him that nobody could get a contract on that section of the railway except through him. His previous experience of an attempt to secure a contract without payment made him quite ready to believe the provincial secretary.

That the money was paid by the production of an express receipt for the \$1,500 which was forwarded to the Bank of Montreal in Fredericton for delivery to Mr. McLeod, the latter having agreed to this method in order that his name might not be mixed up in the affair.

Although Mr. Scott believed he was paying not only for the contract but for protection while carrying it out, Mr. McLeod seemed to be unable or unwilling to deliver the goods and the witness told of having his estimates cut down and his money held up until he was almost in financial difficulties. He still has a claim of about \$3,000 against the company.

Counsel for the defendants made but little effort to question this evidence but centred their efforts on a frantic attempt to discredit the witness, an attempt which met with absolute failure on account of the frankness of the witness and the fact that he seemed to have nothing that he wanted to conceal.

AFTERNOON SESSION.

C. Fred Chestnut was on the stand when the commission resumed for the afternoon session. To Mr. Carvell he said that he personally was quite willing that all the books of the St. John & Quebec Railway Company should be brought into court and he promised to do what he could to have them brought.

Witness said that he did not know that while he was a director, he had been named by counsel for the company as the third member of the board of arbitrators on right-of-way cases.

Mr. Guthrie asked Mr. Chestnut to give a history of his connection with the road, and of the promotion of the project. Witness said that in 1909 he, as mayor of Fredericton, through the Fredericton Board of Trade, commenced the campaign that was finally successful in securing the arrangements for the road. He told of the arrangements for provincial aid and federal subsidies, the incorporation of the Valley Railway Company, of which he is president, of

negotiations with A. R. Gould, and of the incorporation of the St. John & Quebec Railway Company and the Quebec & St. John Construction Company. The Valley Railway Company was organized as a non-political holding company for the purpose of keeping the charter out of the hands of those who might hold up the road and also to carry on negotiations between the two governments of different political complexions.

Two years ago H. E. MacDonell called him up and told witness that it was difficult for him to attend the meetings of the directors in Fredericton and asked if he might assign enough stock to Mr. Chestnut to qualify him to take his place. The witness agreed.

Mr. Chestnut said that the original company had no negotiations with Mr. Gould. He understood that Mr. Malcolm had offered to build the road. He was told that Mr. Lisman had means but had not much evidence of it. Would be surprised to learn that Lisman's travelling expenses were charged up to the company. He did not remember Gould telling him that two companies were necessary in order to conceal the profits.

F. B. EDGECOMBE.

Mr. F. B. Edgcombe, dry goods merchant, was next called but his testimony was not of great importance. He swore he was a stockholder and director of the St. John & Quebec Railway Company. He had fifty shares of stock but had paid nothing for them. It was assigned to him by A. R. Gould. He did not know who was the treasurer of the company. He would be willing to do anything in his power towards having the books brought from New York.

Mr. J. S. Scott was recalled and told Mr. Carvell that he had not made the charge that had been preferred by Mr. Dugal. Mr. McLeod had promised to stand behind him with his contract. He said:

"I am the provincial secretary and the only man who can sign the bonds."

His firm only received from the company \$50,000 out of \$112,000 earned by them. \$7000 or \$8000 would be sufficient to pay all their bills. Mr. McLeod had endorsed some notes for him, to help them out. They had difficulty in getting the Hibbard paper through the banks.

Mr. Carter, in cross examination, brought up the name of the Scott Lumber Company and asked the witness if it was not true that he was compelled by the Bank of Nova Scotia to leave the company because of misrepresentation.

"It is false as hell," was Mr. Carvell's reply.

The witness admitted that he was now suing the Hibbard people. He acknowledged supporting the candidature of his brother in the York by-election against P. A. Guthrie.

JOHN S. SCOTT.

St. John, July 21.—John Scott of Scott & Kelly, Fredericton, was the first witness in the Dugal charges today. He said he had been a sub-contractor on the railway, first under the Quebec Construction Company and afterwards under the Hibbard Company.

Mr. Fowler remarked that he was a sub-contractor to a sub-contractor as the Hibbard Company was under the Quebec and St. John Construction Company. Mr. Carvell maintained that the construction company occupies the position of the real builder of the road.

Q.—Did you have any conversation with Hon. Mr. McLeod about getting the contract?

A.—Yes, several times after the Valley Railway was talked of.

Q.—What was said?

A.—We talked over our taking a contract and he was to give what assistance he could. That was in the fall of 1911 before the contract with Mr. Gould was signed.

Q.—What date was that?

A.—December 12, according to my

diary.

Q.—Did you have any conversation with Mr. McLeod after that?

A.—We had several conversations up to the time the Hibbard Company got their contract in May, 1912. On May 14th I went to examine part of the road I was to work on.

Q.—Tell about the conversation with Mr. McLeod.

A.—He told me he would give what assistance he could as I was confident that he was the only man who could. I told him that E. L. Kelly, son of James Kelly, would be associated with me and Mr. Kitchen would be my financial backer. I asked if there would be any objection as they were Liberals but he agreed that it would be all right. I told him I wanted the section from mile 7 to 16½ near Kingsclear. Afterwards I went over this section and then went back to McLeod. We talked it over and everything was satisfactory except that the Hibbard people had not fixed their prices.

Q.—Prior to this did Mr. McLeod tell you that it was in his power to give contracts?

Mr. McLeod—I am not here as counsel but I must protest against putting words in the mouth of the witness.

Mr. Carvell—Tell us what was said.

A.—I don't know that Mr. McLeod said he had the power.

Witness told of inspecting the surveyed line again in company with Mr. Parks of Montreal, and Mr. Hibbard. Everything was agreed then except the prices. That was on Saturday, but on Monday it was announced in The Gleaner that he had the contract. Q.—In the testing you had done had you found evidence of rock?

A.—Yes.

Q.—Mr. Kelly was an experienced railway builder?

A.—Had forty-five years of it.

Witness said that this was considered heavy work, that heavy work is the most profitable and that rock work is better than other heavy work. Q.—Did you tell Mr. Hibbard the result of your testing?

A.—I don't know that I did.

Q.—Did you learn that some one else had this contract?

A.—Yes. On May 29 I learned by The Gleaner that Luther B. Smith and Lorne Merrithew had this work and they did get it. When I saw this I called up Mr. McLeod and asked why I had not got a chance to talk prices and we agreed to meet the next morning. I went with my partner to Mr. McLeod's office. He told me that the work had been given without his consent. He called up Luther Smith and told him that he might run Sunbury but he could not run York. He learned that Smith and Merrithew were getting 24 cents for earth work and \$1.10 for rock and said we might still get it if we would take those prices. The talk led on to other sections of the railway and we talked of taking them.

T. J. Carter asked for a ruling regarding inquiry into the affairs of sub-contractors, arguing that the commission should not go farther than the Hibbard Company. He said that there was no excuse for going further except to make a personal attack on some person who may at one time have been a member of the government.

In reply Mr. Carvell said that it gets back to the fact that serious charges have been made and the commission had decided to admit any matters which appear relevant. Mr. Dugal charged that contractors were compelled to pay money to secure their contracts. He was forced to make a specific charge and he named Scott and Kelly as making a payment and Hon. H. F. McLeod as receiving money and that now they want to prove the charges. He said that the term "contractors under" was used adversely to include all down to the very bottom.

Mr. McLeod—This charge, if it means anything, means that because I was a member of the government, I compelled this man Scott to pay \$1,500 before he got his contract. The

Q.—What date was that?

A.—December 12, according to my

(Continued on page four.)

THE HINDUS SURRENDER

The Presence of the Crusier Rainbow Brought Them To Time

Have Agreed to Return Peacefully to Calcutta on the Steamer Which Brought Them Out

Vancouver, B.C., July 21.—Just before 7 o'clock this evening the Hindus, through their shore committee, agreed to accept the terms of the government, and will tonight allow peaceable possession of the Komogata Maru. There will be no fighting.

The Hindus made many new demands, but were finally forced to accept the proposals of the officials, which were to provide them with medicines and \$6,000 worth of food for the return trip. They absolutely refused to give money for their return fares or to allow anything to the local Hindus committee by way of recompense.

At 7 o'clock Captain Yamamoto started out for his vessel to get steam up. Hon. Martin Burrell, minister of agriculture in the federal government, was largely the director of negotiations this afternoon with the Hindus. After the return of the local Hindus committee at 3.15 from their talk on the Maru the seven Hindus held a private meeting in the immigration headquarters to draft a Then they decided they wanted legal written reply to the government. advice, and went up town to see A. H. MacNeill.

They brought him back with them before 5 o'clock and submitted new written proposals. They made new demands. Not only did they ask for food and medicine immediately as a price for restoring peace on the ship, and also renewed their demand for cash for their return passage to Calcutta, but they insisted that the government reimburse the local Hindus committee for the money spent recently in sending food to the Maru, and for the charter of the

In the early evening the crowd which gathered down town to view the waterfront was almost larger than the throng of the early morning, when the Rainbow arrived. The upper windows and even the roofs of office buildings were crowded, and it is a wonder that accidents did not occur to the venturesome sightseers.

"There is no use ringing this office for business. All the clerks are in the windows waiting to see the battle of Burrard Inlet. We have given up trying to do any business," replied the manager of a large office in the Metropolitan building to a government official, who called him up for information. Almost every office with windows overlooking the Inlet was in the same plight. The waterfront looked like regatta day, with the number of small craft there were out. Up-town otherwise sedate lawyers and business men were making telephone engagements to go out in the Inlet this afternoon. Nothing in remembrance had such a disturbing effect on the minds and daily duties of the citizens of Vancouver.

HEAVY RAINFALL RECORDED LAST EVENING

Fall Totalled 1.02 Inches Within Two Hours--Severe Thunder And Lightning

A storm of rain so violent that many citizens feared a cloudburst similar to that which devastated Millstream, Kings county, set in shortly after five o'clock last evening. Huge black clouds came up out of the west and heavy thunder accompanied the rain. With brief lulls the storm continued until seven o'clock.

At the meteorological observatory at the University of New Brunswick, a total rainfall of 1.02 inches was recorded for the storm. The rainfall was remarkably heavy for the time during which it occurred.

There was severe lightning during the squall but no great damage by it was done in this vicinity.