

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 — Strong winds and gales east and northeast with rain and snow.

VOL. XX NO 236

FREDERICTON, N. B. FRIDAY, NOVEMBER 20 1914

TWO CENTS PER COPY

MR. DUGAL'S CHARGES FULLY JUSTIFIED

GEN. VON HINDENBERG HAS BEEN CHECKED

German Force in the West Has Been Thrown Back After Three Hours Conflict With the Russians

(SPECIAL CABLE TO THE MAIL.)

Petrograde, Nov. 20--The check of General Von Hindenberg advance from Thorn has come. Dispatches from the front confirm the report that the German advance line has been checked and has retired again behind the Bzura giving the Russians time to form their front to meet the invasion.

The Germans Penetrated as far as the region of Gradow where they were met by an infantry force and thrown back after a three hours conflict.

HOPE TO OCCUPY CALAIS

(SPECIAL CABLE TO THE MAIL.)

London, Nov. 20--A despatch received here from Rotterdam says that German officers on the Dutch frontier confidently declare Calais will be occupied by December 10

LADY SHOT AS A SPY

(SPECIAL CABLE TO THE MAIL.)

Amsterdam, Nov. 20--One English lady has been shot as a spy at Courtrai Chapelle, according to a report from Belgium. It is alleged that she was seized in the German military barracks dressed as a priest.

GERMANS LOST MANY GUNS

(SPECIAL CABLE TO THE MAIL.)

Copenhagen, Nov. 20--A despatch from the Danish German frontier states that the German Gendarmes and armed Police of Schleswig have been ordered to send 80 P. C. of their ammunition to the western battlefield. The German losses in guns since the commencement of the war have far exceeded their anticipation.

A TURKISH REPORT

(SPECIAL CABLE TO THE MAIL.)

London, Nov. 20--An official statement given out by the Turkish war office declares that the strongly fortified Russian's position near Azet has been taken by the Turks by a bayonet charge at the end of two days fighting.

Royal Commission's Report Made Public at Last---A Sweeping Condemnation of Flemming---Finds He Did Not Direct the Extortion of Money From Lumbermen But Must Have Known of It

The Premier Found Guilty of Compelling a Valley Railway Contractor to Contribute \$2000 to an Election Fund--The Commission Finds that a Large Sum of Money Was Diverted in Connection With Valley Railway Work--No Justification for Payments to the Gleaner and J. N. W. Winslow, "Not Proven" the Verdict in the Case of Mr. H. F. McLeod, M. P.

The report of the Royal Commission which investigated the Dugal charges was made public on Thursday by Governor Wood. It is in two sections, the first dealing with the extortion of money from the holders of Crown Lands, and the second dealing with the Valley Railway.

Taken together these reports are absolutely crushing in nature. Their appearance must presage a revolution in the affairs of New Brunswick, for an examination of both documents proves that they are the most important ever placed on the public records of this province.

Briefly the Royal Commission finds, in regard to the timber charges:

That the \$71,000 collected from the lumbermen after a conference between Flemming, Teed and Berry, was secured by extortion.

The Commissioners say: "Having in view the testimony given by the different contributors, the only conclusion that seems possible to us is that the money was actually extorted."

As to the nature of the transaction the Royal Commissioners say:

"It is difficult to imagine anything more reprehensible or blameworthy than that an official of the department interested should present such a demand. . . . To these dependent upon the renewal of their timber licences it is not only an extortion of the most effective nature, but it appears the more harsh and cruel inasmuch as it is produced by one to whom it is unsafe to make protest and for a purpose repugnant to many of the contributors."

The Commission does not find evidence actually to prove that Flemming personally directed the extortion, but it says:

That Flemming named the treasurer of the fund, Teed of Woodstock. That Flemming knew that efforts were being made to get money from the holders of Crown timber licences. That Flemming knew all the time that such moneys were coming into

Teed's hands. That Flemming "set his seal of approval on the transaction by introducing his chosen treasurer to Mr. Brankley with the words: 'Anything Mr. Berry tells you about this man (Teed) will be all right.'"

That it is fully proved that the money was in fact extorted by Berry, and that Flemming "was well aware that moneys were being collected for a purpose unquestionably improper." This the commissioners say is amply shown.

Also the Commission says it is manifest that Flemming "directed the disposition of such money when collected also that 'he acquiesced in the collection of such moneys at a time and from a source highly and grievously improper.'"

While the commission says there is a great deal to support the view that Flemming could not possibly be in ignorance of Berry's activities and of the methods he employed, the Commission does not find such sufficiency of proof as would justify it in declaring that the personal direction of the extortion by Flemming was actually established.

Such is the gist of the report on the timber charges, which is given in extended form.

THE RAILWAY CHARGES.

The charges of Mr. Dugal in connection with the Valley Railway were, in the main, two: that a large amount of money intended for the construction of the railway was diverted from its proper channel and that contractors under the St. John and Quebec Railway Company were compelled to pay and did pay large sums to members of the local government in the year 1912.

The Royal Commission finds that some sums of money were diverted, and improperly charged, that many indefensible payments were made: And that Flemming compelled Contractor Kennedy of Kennedy & McDonald to pay him \$2,000.

In regard to the \$2,000 which Flemming got from Contractor John Kennedy, the Commissioners say:

"We think and find that Hon. Mr. Flemming is guilty of this act of compulsion which has been charged against him."

The report says also, on this head: "What might rightly be considered compulsion under one set of circumstances might by no means constitute or give rise to it under other circumstances, and therefore it is that while there was no threat or menace in the conversation (between Flemming and Kennedy), we have no hesitation in concluding that the compulsion undoubtedly existed, taking the rise primarily from the fact that Mr. Flemming was premier of the province and Mr. Kennedy was a contractor in the building of this work in question."

The matter of whether Mr. Kennedy was thinking of his second contract in making the payment is dismissed by the commissioners is not necessary to prove compulsion. Rather, they state further:

"The compulsion, which accom-

panied the act, did not take its rise from any fear of disappointment with reference to a second contract, nor was the money given with a view of securing it, but it was caused by the very position held by Mr. Flemming and possibly also from an apprehension as to the contingency which might attach to the performance of the existing contract in case of refusal to pay."

In other words the Premier of New Brunswick "shook down" the contractor for \$2,000.

As Hon. H. F. McLeod swore one way and Scott and Kelly, the contractors swore another way in regard to the payments to McLeod, the commissioners find that they cannot say, as against Mr. McLeod's denial that the charge has been proved, and therefore they find Mr. McLeod not guilty.

The commission finds that \$100 of the \$350,000 borrowed by Gould and his associates from the prudential trust company did not go into the railway and must not be charged against the bonds. They refer to \$107,000 of other charges as improper.

It finds that the Prudential Trust Company did nothing improper in any way.

It finds that the ten per cent which the construction company was getting from the railway company was an improper transaction.

It is found improper that one Gould company should make a profit out of another Gould Company and that the profit should come out of the Province of New Brunswick.

Payments such as \$1,000 to the Fredericton Gleaner and \$3,000 to Winslow are stamped by the Commission as without justification or excuse. Many preliminary fees to solicitors are also condemned.

The Commission's views on "diversion" of funds are somewhat technical and required careful reading. While the Commission finds \$107,000 much less than Mr. Dugal alleged--not properly charged to construction it does not support his principal charge of diversion.

The Mail has not space for the entire report, but gives the following extracts from the same:

Having in view the testimony given by the different contributors the only conclusion that seems possible to us is that the money was actually extorted. Under the conditions which prevailed it was impossible for any of the license holders to exercise any freedom of mind or will when the proposition was made to them by Berry that the extra amount should be raised. The fact is that the request, if it can be so termed, was made by the Crown Land Official to whom each license holder knew the classification of all the lands was entrusted. They knew further that the decision of this same man Berry would prevail in regard to whatever disputes might arise between any of them and the government scaler in each section's cut. He was the one official in the Crown Land Department whom it was absolutely imperative that each license holder should appease and placate; and all this being so it would seem if less mon-

ent what the actual conversation was when Berry asked for the money. It was very relationship between each donor and Berry that gave weight, if not menace, to the suggestion, and accounts for the fact that so few out of all approached had strength of mind to refuse a contribution.

All the above indicated conversations and payments, except the ones specially referred to above and excepted, took place before the Orders in Council classifying the lands and fixing the amounts of bonus payable under each classification.

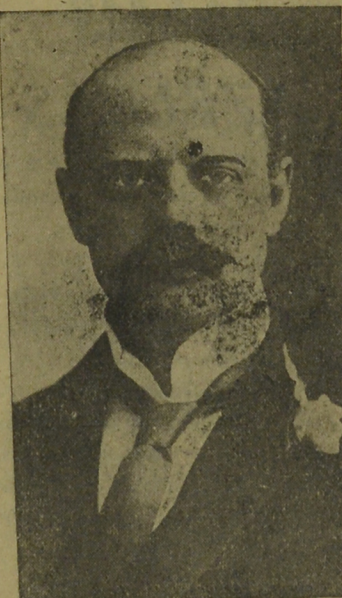
At the time the demands were made the Government was on the eve of fixing the bonus and stampage payable by license holders for a time which cover the full period of the lives of most of the parties affected, and it is difficult to imagine anything more reprehensible or blame worthy than an official of the Department interested should present such a demand or request at such a time. The license holders were not even free to protest against such request, coming from the lips of an official, whose ill-will might easily express itself in ways that would cost much more than the amount then demanded. It was of the most vital interest to each holder that his licenses be renewed. His investments in mills, machinery and other plant were in issue.

MR. FLEMMING'S POSITION

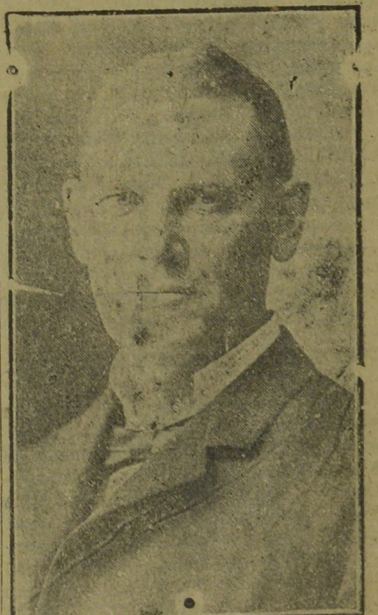
Going now to the immediate issue involved in this enquiry the question remains: Was this extortion, which is shown to have been practised by Berry, directed by Hon. Mr. Flemming?

In the first place no one has testified that it was so directed. The only man other than Hon. Mr. Flemming who would be in a position to give positive evidence upon the point has been since the start of this investigation, beyond the jurisdiction of the

Continued on page five.



JUDGE McKEOWN
Chairman of the Commission



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