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NO. 148

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For cool refreshing Soda Water, Ice Cream Soda, Sundaes, College Ices and everything in the Soda Fountain line.

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Clocks, Etc.

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THE CENTRAL ENQUIRY

Ald. Winslow Gives Information in Regrd to N. B. Coal and Railway Company

The proceedings of the meeting of the Central Railway commission of enquiry this morning were more interesting than yesterday, and fair progress was made. Deputy Receiver General Babbitt gave further information in regard to payments and bond issues made by the government on account of the Central and N. B. Coal and Railway company.

J. J. F. Winslow, secretary of the latter concern, was called and submitted the company's books, along with a list of the stockholders.

Mr. J. H. Dickson explained to the commission that he had been reported as stated in his evidence yesterday that he had placed all orders-in-council at the disposal of the commission. What he did was to have typewritten copies of the orders made for the commission subject to the approval of the governor in council.

Mr. C. A. McVey, of the Board of Works office, was called and explained the profile plans of the railway to the commission.

Commissioner Teed jokingly remarked that the Herald report had given him credit for being a good story teller, whereas he had not told any stories at yesterday's meeting. It was Mr. McDougall and Mr. Powell who entertained the commission in that way.

Judge Landry said that by the profiles it was shown that the road from Norton to Chipplman was 59 2-3 miles in length.

Mr. Powell said he proposed ascertaining the length of the road and spurs from Mr. Wetmore, the government engineer.

Judge Landry said that the total subsidy payment amounted to \$224,900.

Mr. Babbitt was called to the stand and resumed his testimony. He said that all advances made by him to the company were either made on the strength of orders in council, or by verbal instructions from the attorney general or provincial secretary. He would engage to pay over the subsidies to any bank making loans to the company, but these bonds were not brought to the provincial secretary's office, and he did not know to whom they were delivered. The coupons paid by the government on the \$450,000 bond issue to the N. B. Coal and Railway company, amounted to \$18,000 per year. The first coupon interest payment was made on July 2, 1905. On that date the first coupon payment on the whole \$450,000 was due. There were two bond issues, one of \$250,000 and another of \$200,000. The first amount was on account of construction, and the other to pay for the old Central railway. He did not think that any advances were made by the government to company on account of this \$450,000. In an offhand way he learned that \$70,000 worth of the bonds were given to the People's Bank. It was the practice of the government to register every bond for which the province was responsible, but in this case an exception was made. An exception was also made in the case of the Hartland bridge.

Mr. Babbitt explained that the coupons on the three first series of bonds were not paid by the government. It was the fourth series of coupons that the government was called upon to pay.

Mr. Babbitt submitted a statement of the total payments of the government on account of the Central railway down to March 15th last, and it was put in evidence. The subsidies and the \$450,000 bond guarantee were not included. He gave the total as \$345,999.22. This amount was paid over since the government had taken over the road in 1905.

Mr. Babbitt admitted that some payments were made before the government actually took over the road, in contemplation of bond issues at the coming session.

Mr. Powell showed that the authority was granted by the legislature during the session of 1907.

To Judge Landry, Mr. Babbitt said that the government, after taking over the road, had settled some old outstanding claims against it. The bills settled included one from the Rhodes, Curry & Co., of Amherst, amounting to \$19,750. Some of the old claims were settled by Mr. McAvity, one of the commissioners, and charged to the government.

To Mr. Powell the witness said that in many cases Mr. McAvity would be paid a round sum, and he would settle the claims. He could tell from his books the exact amount paid to Mr. McAvity and disbursed by him.

Mr. Babbitt in recapitulation said the total liability incurred by the province on account of the Central railway was \$1,019,599.22. This was made up as follows:

Subsidy to Central Ry.	\$ 147,000.00
Subsidy to N. B. Coal and Ry Co.	77,000.00
Other payments	345,999.22
Bond guarantee	450,000.00

Total \$1,019,599.22

Mr. Babbitt continuing said that he had no supervision over the expenditures made on account of the Central railway, his dealing being with Mr. McAvity. He understood that the accounts were audited by Mr. Corbett, Mr. Sharpe and Mr. Seely.

To Judge Landry, Mr. Babbitt said he never saw any of the bonds after they were guaranteed. The coupons were usually presented for payment by the Bank of B. N. A.

This concluded Mr. Babbitt's evidence for the present.

ALD. J. J. F. WINSLOW

was the next witness called. He swore that he became secretary of the N. B. Coal and Railway company in 1904, in succession to Mr. George W. Allen. There were no meetings of the directors after he became secretary. He was a stockholder in the company. He understood that a record of the meetings had previously been kept by Mr. Allen. Witness kept a stock record of the company, but about a year ago he handed it over to Mr. Babbitt. He did not think there was any treasurer, but he kept a record of expenditures so far as he could. Mr. George McAvity was president of the company. He thought that some of the payments were made by Mr. McAvity to Mr. Barnes for construction work. Witness made some payments through People's Bank to Mr. Evans, for engineering work. There were no books kept by the company so far as he knew, except the secretary's books, and the railway books kept at Norton. Witness transferred his father's stock while he held the office of secretary. He knew nothing of the transfer of the company's property to the government. There were no meetings of shareholders while he was secretary to carry on negotiations with the government. He was still secretary of the company so far as he knew. He had received nothing for his interest in the company. He understood that the transfer was made by legislation. Mr. McAvity was running the company while he (Winslow) was secretary, and he afterwards had charge as commissioner.

The stock ledger of the N. B. Coal and Railway company was shown the witness and identified by him. Ald. Winslow figured out that five hundred shares had been issued at the par value of \$100, making a total of \$50,000. Of this Mr. C. N. Skinner held stock to the value of \$43,000. The total capital stock was given at \$100,000. Mr. E. B. Winslow held 10, Mr. Ernest Hutchinson 10, Mr. Charles A. Bruce 10, Mr. Franklin Stetson 10, Mr. A. P. Barnhill 10, Mr. R. A. Irving 10, and Mr. Willard Kitchen 10, making a total of 500. Mr. Skinner transferred six shares to Mr. A. P. Barnhill, ten to Mr. James Robinson, ten to Mr. A. I. Trueman, three to Franklin Stetson, three to George McAvity and one to Charles Sanford. Later on Mr. Skinner transferred ten shares to Dr. J. M. Smith, ten to Mr. Charles E. McLaggan, ten to Mr. George W. Allen, but the certificate was never issued. On Nov. 10th, 1904 the shares held by the late Mr. E. B. Winslow were transferred to witness.

The stock ledger, the act of incorporation and the stock book were placed in evidence. Mr. Winslow said the company's books did not show that any payments had been made by the shareholders on account of the stock. He was not a member of the company when the stock was issued. The company's ledger was produced by Mr. Winslow, and he explained that he had made some of the entries therein, while clerk for Mr. George

W. Allen, and he had made the remainder while secretary. One of the items was a payment of \$31,500 to Messrs. Elkin & Evans, for services rendered in transferring the Central railway to the company.

In reply to Judge Landry, Ald. Winslow said that he was appointed secretary by the directors at a meeting in St. John. There was no minute made of the meeting, but he received notification by telegraph from Mr. McAvity. He had afterwards assisted Mr. Sharp to audit the accounts.

The witness said that in making up the accounts for Mr. Allen, he went back to November 1901, when the company's dealings with the People's Bank commenced. In compiling Mr. Barnes' accounts he went back to the same date. In regard to Elkin & Evans' account, he remembered Mr. Sharp telling him that there was some error in connection with it. He was not familiar with the details but thought it was in connection with an account for comparing plans and profiles. Mr. McAvity kept a cash book, and so far witness knew he kept a proper account of everything. The cash books was made up for him by Mr. Sharp.

Mr. Winslow admitted in making up the accounts he could not get vouchers for some payments, and had to depend on checks. In some cases he depended on letters ordering payments.

The bill books of the company were identified by Ald. Winslow and put in evidence.

Mr. Winslow explained that \$70,000 worth of the company's bonds were deposited in the People's Bank as collateral. He could not remember exactly when these bonds were issued, but would try and ascertain.

At one o'clock the commission adjourned for luncheon.

THURSDAY AFTERNOON'S PROCEEDINGS.

The Central Railway fishing exhibition was continued yesterday. It is one sided affair and the proceedings are decidedly dull and uninteresting. Once during the afternoon there was a break in the monotony when Mr. Powell started in to give his views on sinking funds. This subject had about as much to do with the Central Railway enquiry as the man in the moon yet the commission and Mr. Powell spent nearly half an hour discussing it. Judge Landry was unable to endorse the rather drastic views of Mr. Powell, but Commissioner McDougall, probably with the object of shutting Mr. Powell off, sided in with him.

Mr. Powell consumed considerable time at the beginning of the session reading extracts from correspondence between Dr. DeBertram and others connected with the Central Railway and Hon. David McLellan, a former provincial secretary, and deputy heads of departments. Most of the correspondence was written between the years 1887 and 1890 and had to do with matters in connection with subsidy payments to the Central.

Deputy Receiver General Babbitt was re-called, and produced the books containing the government subsidy account. He said that the amount paid by the local government to the old Central Railway was \$147,000 being \$3,000 per mile. It was paid in provincial debentures, the bulk of it going to banks having dealings with the company, and about \$20,000 to Senator Thompson and Alexander A. Sterling, to whom it had been assigned by Dr. DeBertram.

Mr. Babbitt stated that the first subsidy payment to the New Brunswick Coal and Railway Company which absorbed the Central, was made in October, 1902. The amount was \$44,500 and all except \$12,000 was paid over to Mr. George W. Allen, the secretary of the company, which went to the People's Bank \$3,000 worth of the old subsidy bonds were sold to Hon. P. G. Ryan at a premium of 1 1/2 per cent, and the proceeds placed to the credit of the Central Railway suspense account.

Mr. Babbitt explained that of the bond issue of \$44,500 bonds to the value of \$4,500 were set aside for a Sinking Fund.

Mr. Powell thought it was a farce to set aside bonds for a sinking fund. He had denounced that sort of thing while a member of the Legislature.

Mr. Babbitt pointed out that the practice was followed by all governments.

Mr. Powell retorted that if that were so it did not make the practice. In his opinion it was hoodwinking the public.

Judge Landry was unable to agree with the views advanced by Mr. Powell. He thought it was all right to set aside bonds for a sinking fund.

Mr. Powell was forced by the Judge to admit that the practice was right from the government's standpoint, but he held that it was bad for the bond holder.

Mr. Babbitt said that it was not a difficult matter for the government to sell bonds.

Judge Landry could not see that it was any detriment to the province. Mr. Powell declared that it was nothing more than downright fraud.

Commissioner McDougall sided with the views advanced by Mr. Powell and succeeded in stopping the discussion.

Mr. Babbitt, when he finally got a chance to resume said that the second subsidy payment to the New Brunswick Coal and Railway Company amounted to \$44,500 making a total of \$77,000. Of this amount \$228.37 was paid to Mr. George W. Allen and the balance to the bank.

The total amount paid in subsidies to the old and new companies by the Local Government was given at \$224,900.

There was some little talk of holding an evening session, but the chairman thought that it was unnecessary. The meeting adjourned until Friday morning at ten o'clock.

CAMP SUSSEX

Drill Proceeding Under Favorable Weather Conditions

SUBSEX, June 26—(Special)—Camp is proceeding smoothly and the weather remains fine, but hot.

Musketry instruction and company drill is occupying the attention of the infantry. Squadron and battery drill engage the Hussars and Field batteries.

The annual reception given by the officers of the 8th Hussars will take place on the afternoon and evening of Tuesday next.

Lieutenant Colonel Williams, A. D. C. is expected in camp on July 2nd and 3rd to inspect the cavalry and it is possible that Col. Messard, adj. general may be down to look the Hussars over.

This afternoon at 1.15 a representation of all corps met at the Y. M. C. A. tent for the purpose of forming a base-ball league.

MISSING MAN

St. John Seaman Disappeared from his Schooner in New York.

ST. JOHN, N. B., June 26—(Special)—Captain Steven Morrell, aged fifty-six, of St. John, mate of the schooner E. C. Gates, row unloading lumber in New York, is missing, and is probably dead.

He went to his room on the schooner Wednesday night and Thursday morning could not be found, although all his clothing was left behind. Undoubtedly he went on deck and fell over board, while ill.

He was sober and industrious and highly esteemed and leaves a wife and one child, in St. John.

CAPTAIN KILLED

Fell Into the Hold of His Schooner at St. John

ST. JOHN, June 26—(Special)—Captain H. T. Whelpley, of the schooner Ruth Robinson, was fatally injured at three o'clock this morning by falling into the hold of the vessel, a distance of seventeen feet.

His skull was fractured and he sustained other injuries. His home is on Victoria street of this city.

house and give it a distinctive personality amongst its fellows with the use of Ramsay's Paints, guaranteed the very best, full measure, full value, at fair honest prices. P. S. Watson, St. Mary's, N. B., has them and will show you the splendid range of colors.