

TRAIL OF PAYMENTS TO GOULD, ACCOUNTED FOR

MORNING SESSION

When the commission resumed yesterday, Mr. Carvell asked if Mr. Gould had been in the city.

Mr. Guthrie said that he had been in Fredericton and would have been there on Wednesday but for the request of Acting Premier Clarke, who had asked him to stay over. He expected him at noon.

Mr. Carvell asked if the books of the New York office had arrived.

Mr. Guthrie said that Mr. Gould had wired Mr. Goodman to send the books and he had wired again that morning.

Mr. Carvell—Do you wish the commission to believe that the president and the majority of the directors cannot get the books here? It is an insult to their intelligence.

Not Mr. McLeod

At Mr. Guthrie's request Mr. Carvell announced that the member of the government whom he had mentioned yesterday as waiting on Judge Carleton regarding the appointment of arbitrators was not Hon. H. F. McLeod. It was in connection with another matter that Mr. McLeod's name had been mentioned.

Ross Thompson, managing director of the construction company, took the stand and Mr. Carvell resumed his examination.

The Witness Said

The witness said that the charge of \$10,000 in connection with J. D. Seely's claim had been constructed from the records as a charge on construction and had been charged up to the railway company against the railway company.

Q—Then it is charged in the same way as the construction company's claim against the railway company for the per cent of cost of construction up to April 15?

A—Yes.

Q—And \$14,000 on the interest account has been corrected and charged in the same way?

A—Yes, but the correction was an error.

Q—\$4,000 was also taken off?

A—It was removed from the account to which it was charged but not charged to the railway company.

Q—Why was this \$14,000 paid to Mr. Seely?

A—He had a claim for promotion and it was settled in this way.

Q—Are you sure that was his only claim?

Mr. Teed objected that this was not relevant as the claim was no longer charged to construction.

Mr. Carvell said that it would make a difference when the \$20,000,000 of bonds were divided up.

Mr. Teed—What has that to do with it?

Mr. Carvell—If you live for a while longer you will see.

Mr. Teed—They only get the proceeds of the bonds as the expenditure on the road justifies.

The \$2,000,000 Bonds

Mr. Carvell—If it had not been for that issue there would have been no investigation and if it had not been for this investigation there would have been every cent of the \$2,000,000 bonds.

Mr. Teed—Do you mean there would have been no diversion if the additional aid was not granted?

Mr. Carvell—Perhaps not; they might have had to put up some of their own money.

Mr. Carvell then asked for the stock book but it was not to be found although Mr. Guthrie said it had been brought into court.

Mr. Carvell—Who were the members of the legislature's investigating committee?

A—Messrs Carter, Tilley, Black and I think another.

Q—Was it Mr. Jones?

A—I don't remember.

Q—How many times did they visit your office?

A—I don't remember; different members came at various times. I know they took a good deal of my time.

Q—What are the names of the members of the foundation company which appear on your books?

A—For investigation of sites for bridges for crossing the river.

Q—Would that be chargeable to the Gaselton to Centreville route?

A—It would not.

Q—How many shares of their account?

A—About \$7,000.

Q—How will the charges in the expense account be divided to eliminate sections A and B, which are not to be included in this investigation?

A—We are to divide the total of the account in the proportion of 120 to 214 miles. The government's bill for preliminary engineering expenses, \$80,000 is the largest item; the total is \$68,900.

Q—How much should be eliminated?

A—About \$20,000.

Q—The witness suggested that if the amount to be charged up should be reduced the amount of government aid received should also be reduced proportionately.

Q—Do you know anything of \$300 paid to A. H. Hamilton?

A—I believe that it has been paid in New York but I have not yet received a voucher for it or charged it up.

Q—Do you expect that it will be charged up to construction?

A—Yes, on account of legal advice he gave early in the promotion of the railway.

Q—Is it not a fact that he was a stockholder, that his stock was cancelled by act of legislature and this \$300 was paid in recompense?

A—I do not think so.

Q—But his stock was returned with the \$300 draft attached.

A—Yes, I believe the payment of his bill for legal services was a condition of the return of the stock.

A. R. Gould's Salary

In reply to Mr. Carvell the witness said that the construction company paid A. R. Gould his salary of \$5,000 a year; that it was done by way of witness after conversation with Mr. Gould; that there were no instructions to that effect from the directors although it was understood by them that the construction company paid it as they paid all the bills of the railway company.

The witness did not know when the government was first approached with regard to the issue of the second series of bonds. Mr. Gould conducted the negotiations. He did not know when Mr. Lisman informed him that he could not handle the second mortgage bonds. He thought it was some time in the summer of 1911.

Q—Do you know what Mr. Lisman had done up to December, 1911, toward placing these bonds?

A—I don't know.

Q—Do you know if he did anything?

A—I cannot say.

Q—Who is Mr. Lisman?

A—Mr. Lisman & Co. bond brokers, New York.

Q—Does Mr. Gould still hold your stock certificate?

A—No, it is here.

Q—Was a new certificate issued to Mr. Gould?

A—It was issued to A. N. McLenan, on July 8, 1912.

The witness said Mr. Gould put up \$5,000. Mr. McLenan got certificate Number 2 and this was assigned to H. R. McLeod, who received it. Mr. Lisman, Number 14, and later one of the new issues. It was transferred to C. Fred Chestnut.

Mr. Lisman's stock was transferred to F. J. Lisman & Co., returned by Lisman, and re-issued to H. M. Crandall; the witness did not know of Mr. Crandall's name anything but Mr. Lisman paid \$5,000.

Of Mr. Ling's stock, forty-seven shares were transferred to J. D. Seely, and the balance to Mr. B. B. Wainwright. None of the three paid for their shares at that time. Afterwards Mr. Gould took over one-quarter of that interest, at least part of the amount was returned. This stock is now held by Mr. Howard.

One other share was paid for by J. W. Gould. None of the others paid anything.

Apart from the transfer of the construction company's stock to you or their services as trustees over and above what they are able to make on the money deposited with them.

Regarding a payment of \$105,000 by the trust company the witness said this was part of the deposit of \$1,000 a mile placed in the hands of the government to guarantee the interest on the bonds during the period of construction. If, after three consecutive years, the forty per cent of the earnings of the railway, which would be paid over to the government, have been sufficient to meet the interest charges, the deposit will be returned and will become the property of the railway company.

Witness thought the Prudential Trust Company received \$100 a year for their services as trustees over and above what they are able to make on the money deposited with them.

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Mobilization Answer

OF RUSSIA TO GERMANY

St. Petersburg, July 30—Russia today officially notified Germany and Austria of the mobilization of fourteen army corps, numbering 1,200,000 men. The Kaiser is said to have expressed the intention of asking the Kaiser as commander in chief in event of hostilities.

This is Russia's answer to the virtual ultimatum which came from the German foreign office in an official statement that the Kaiser would order the mobilization of his forces unless Russia ceased her military activities within twenty-four hours.

With the 1,200,000 men mobilized, Russia will have more than 2,000,000 in the field. The number of officers necessary for the reserves have been notified to report to their stations immediately. The medical service of the entire army has been placed on a war footing. Surgeons and nurses have been gathered and the necessary horses and vehicles have been requisitioned.

The Cossacks whose military service has expired in the territories of Don, Kuban, Terek, Astrakhan, Orenburg and Ural have also been summoned.

First Battle Fought; Austria Claims

THE VICTORY; THOUSAND MEN ARE KILLED

Vienna, July 30—Reports here declare that the first battle of the Austro-Serbian war has been fought at Foca, and resulted in a complete victory for its Austrians. One thousand men are reported killed.

Two Serbian divisions were routed by the Austrians. One entire division was captured and the other retreated in disorder. The reports here declare 800 Serbians were killed. The Austrian loss was placed at 200.

Berlin, July 30—A special says the Austrians took four thousand Serbian prisoners at Foca. The battle began when the Austro-Hungarian troops began to cross the Drina River. Serbian cavalry opposed their advance, but were driven back upon the position occupied by the infantry.

This point was shelled by Austrian Artillery, on the Bosnian side of the river, and when the Serbians were compelled to retreat, they were attacked by the Austrians in battle.

Foca, the scene of battle, is in Bosnia, located on the Drina River, thirty miles southeast of Sarajevo. Serbians have been concentrating along the Drina since war with Austria was first threatened. Austrian forces in this district also mobilized along the Drina.

Three Fredericton Girls Lead Province

(Special to The Telegraph)

Fredericton, July 30—The board of examiners for the matriculation and leaving examinations have completed their work for the present year. They report 154 candidates taking the examinations, of whom 140 wrote matriculation and fourteen the high school leaving examinations.

Of the matriculants, fourteen were passed in Division I, 22 in Division II, 30 in Division III, thirty-four in Division III conditionally, and eight failed to pass in any division.

Of the candidates for high school leaving examinations, four were passed in Division II, two in Division III, seven in Division III conditionally, and one failed to pass in any division.

Following are the names of candidates who passed in order of merit, with the name of the school where each was prepared.

Matriculation—Division I.

Gladys W. Fitzgerald, Fredericton Grammar school.

Mary M. Chestnut, Fredericton Grammar school.

Hazel McFarlane, St. John's Grammar school.

Jessie A. Clark, Fredericton Grammar school.

Hilda M. Stevens, St. John's Grammar school.

Kathleen Stanton, St. Vincent's school, St. John.

Hilda M. Stevens, St. John's Grammar school.

Louise F. Scott, Fredericton Grammar school.

Marian Anderson, Fredericton Grammar school.

G. F. Gregory Bridges, Fredericton Grammar school.

Maudie E. Hilsdon, St. John's Grammar school.

Robert C. Moores, Woodstock Grammar school.

William T. Lutz, Moncton Grammar school.

Alice H. Selig, Moncton Grammar school.

Beatrice J. Coats, Moncton Grammar school.

Harold E. Barnett, Moncton Grammar school.

Matriculation, Division II.

Lorne Ray Whitaker, St. John's Grammar school.

Frances Russell, Chatham Grammar school.

Marjorie F. Colpitts, Moncton Grammar school.

Marian Anderson, Fredericton Grammar school.

Greta M. Rogers, Moncton Grammar school.

Stanley Stevens, St. John's Grammar school.

Warren J. Maxwell, Fredericton Grammar school.

John Forbes McIntosh, St. John's Grammar school.

Ethel L. Brittain, Hampton Consolidated school.

Guy S. Lortly, St. John's Grammar school.

Grace Davis, Sussex Grammar school.

Jessie Jamieson, St. John's Grammar school.

Jean R. O. Goucher, St. Stephen Grammar school.

Gertrude D. Jago, Fredericton Grammar school.

Dorothy McGowan, St. Andrew's Grammar school.

Stephen A. Dawson, St. Stephen Grammar school.

Margaret L. Pugsley, Moncton Grammar school.

Edith E. Vincent, St. John's Grammar school.

Catherine E. Higgins, St. Vincent's school, St. John.

Gordon F. Nicholson, St. Stephen Grammar school.

Harrison Trimble, Hampton Consolidated school.

Russell N. Brown, Woodstock Grammar school.

Nora E. Walsh, St. Vincent's school, St. John.

Miss S. E. Hunter, St. Vincent's school, St. John.

Alice F. Bellay, St. Stephen Superior school.

(Continued on page 7, fifth column.)

Cecil E. McWilliam, Harkins' Academy, Newcastle.

Gwendoline W. Hallett, Moncton Grammar school.

Bert J. Burgess, Campbellton Grammar school.

Beverly H. Stevens, Moncton Grammar school.

Alice Leake, Sussex Grammar school.

French Army Engagements

Antwerp Shivers

Sends Flower Reports of Crisis Follow

Simon--King pathizer

(Special Cable to The Daily Mail and Montreal Gazette)

Brussels, Aug. 3—The still pouring troops into a force of 100,000 men is a along the Belgium front.

An unconfirmed report received that the German another army at the front.

Antwerp, Aug. 3—All telegraphic communication has been stopped, for purposes, and all messages sent through the German engagement between the German forces at Nancy.

The Belgian front is a shambles, and the crossing of the Dyle river, and of their success of Belgium were received agony of suspense, but news and all the large shops at.

In every public place posted, signed by the Belgian Antwerp in a state appealing to his fellow citizens.

There are no signs of though every family has its manhood at the front.

FIRST VICTORY

Paris, Aug. 3—French scores a victory in a sh engagement at Petite Chantreaux beyond the entrenched just beyond the German lines.

The Germans charged were unable to withstand fire of the defenders and in disorder leaving a number of prisoners.

GERMANS INTERCEPT WIRELESS MESSAGES

London, Aug. 4—Daily Mail from Durban man wireless station at German South West Africa and its power and is set to "jam" or drown the stations. German steam ports have been ordered to close.

Europe but to proceed to sea.

RUMORS HEARD OF CABINET CHANGES

London, Aug. 3—Regard

of ministerial elections

in the face of a coalition cabinet

current this morning, it

there was a possibility

of a coalition cabinet

being formed.

It is reported that

the cabinet at this time

is still forming a

ministry.

Conditions are impos-

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