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### PROBE—Mild and fair at first, with rain in localities toward night.

# The Toronto World

WEDNESDAY MORNING APRIL 19 1916 —FOURTEEN PAGES.

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VOL. XXXVI.—No. 12,943

## Sweeping Denial by Hughes Of Rake-Off in Fuse Contracts

### SYNDICATE PACT MERE MYTH HUGHES' CHALLENGE NOT MET

Alleged "Mushroom" Companies Declared to  
Have Had Solid Backing and to Have  
Made Splendid Delivery of Fuses—Hughes  
Unaware of Any Improper Deals by Al-  
lison—Borden's Promise of Full Inquiry  
Was Cheered.

#### POINTS IN HUGHES' DEFENCE

GEN HUGHES knew nothing of a contract among Yoakum, Allison and Basch for division of \$1,000,000. They never received a cent of the advances to the American Ammunition Co. or the American Arms and Fuse Co., so-called "mushroom" companies.

Alleged contract among Allison, Yoakum and Ligant termed mere invention and challenge given G. W. Kyte, M.P., to say that it ever existed. This challenge was unanswered.

The companies which received \$23,000,000 in fuse contracts have \$6,000,000 invested in plants, and employ nearly 8000 men. Their deliveries have been the best, with one exception, of any munition company in the United States. One company has since received a contract for 4,000,000 fuses for Britain, and the other company a million-dollar fuse order.

The \$23,000,000 contracts were on a basis which allowed little if any profit.

One of the companies was backed by the American Tobacco Co. with a capital of \$500,000,000, and both gave bonds signed by one of the richest trust companies in the world.

The cash advance to them was 15 per cent, as against the usual one of 25 per cent, and all was spent on the plants. Especially the fuse orders were to be found to do the work. Col. J. Wesley Allison suggested applying to United States companies, and was referred to Gen. Bertram. Allison later went to New York, where he enjoyed the respect of big capitalists, and secured the millions by shrewd bargaining. He secured any commissions he received, but Hughes knew nothing of them.

Britain had failed to buy a big consignment of German rifles in Brazil, but failed, and there were no commissions for Allison or others in the deal.

The shell committee expended \$42,590,000 less than authorized by Britain.

Prices paid for shells in Canada proven to be much lower than in the United States.

Before leaving for England, on March 19, Hughes consulted leaders on both sides of the house, and was told there was no objection.

for the faithful performance of the work, signed by one of the wealthiest and most responsible trust companies in the world.

Every dollar advanced on the fuse contracts, Gen. Hughes declared, had gone into labor and materials and not a dollar of graft, commission or rake-off had gone to J. Wesley Allison or anyone else.

The contractors had been given to American concerns because no manufacturer in Canada would undertake the manufacture of fuses at any price.

Gen. Hughes began somewhat nervously and at times betrayed considerable emotion. He especially dwelt upon the great peril of the war and deplored the petty parochial partisanship that had made it necessary for him to return from England.

He denied running away from charges, but averred on the contrary that the charges had been kept in abeyance so that he might be able to look after the tinne before he went to the front. He announced that he would give all his time to aid the war effort.

Or to put it in the words of one plain-spoken observer this afternoon, have they put the skills under their aggressive and militant colleague and are they now greasing the ways so that he may slip quietly out?

Or to put the whole situation in a still blunter way and in a way that brings it home to all the people of Canada:

Has political government, under party conditions and under stress of the war, broken down, and in other than a complete reorganization of the Borden government with the introduction of much new timber, or falling that a trial of a joining of parties and government and a united parliament to try and carry on the war and at the same time reach a solution for the serious problems knocking, insistently knocking, at our doors?

Has political government, in every sense of the word, broken down, and are we now faced with a choice between a complete reorganization of the Borden government with the introduction of much new timber, or falling that a trial of a joining of parties and government and a united parliament to try and carry on the war and at the same time reach a solution for the serious problems knocking, insistently knocking, at our doors?

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No Rake-Off Pact.  
The alleged contract which Mr. Kyte told to the house as having been made between Yoakum, Allison and Ligant for the division of the loot, Gen. Hughes denounced as a fabrication and asked Mr. Kyte to produce any such agreement. He also pointed out that both companies had given ample bonds

#### THE OTTAWA SITUATION

By a Staff Reporter.  
OTTAWA, April 18.—The situation over the charges against the shell commission and the responsibility of Sir Sam Hughes and the Borden Government for any wrongs therewith look on a new phase in parliament today. It was the Conservative turn and in many respects they came off in apparent triumph. Let the public recall the facts.

Some weeks ago Sir Wilfrid Laurier moved for a parliamentary committee to investigate the acts of the shell commission that had been named by the Borden government to take charge of placing orders in Canada and to the States for munitions for the British war effort.

The government and its speakers replied that it was a British matter, not a Canadian one, and that the time to investigate was after the war.

Then along came Messrs. Carvell and Kyte, two members of the opposition who sprang sensational charges of graft, mismanagement and wastefulness in giving contracts for fuses away in millions of dollars to mushroom American concerns, more or less connected with Col. J. Wesley Allison. This was a bombshell of a sensational way that the government was thrown into a panic and Sir Robert Borden later declared that he would appoint a royal commission to investigate the charges against the contractor Sir Sam Hughes to return to Ottawa.

Sir Sam approached the common-sense and made a statement, the substance of which is that he is willing to be investigated by a committee of this kind, "who Germany is charging over a private contract with the government."

Sir Wilfrid Laurier called attention to another charge against the minister of militia of selling a lot of Canadian ammunition to a firm in the United States, and later on sold to the British Government at a profit to the Canadian broker firm for the purpose of making a statement as to what was Sir Sam's present relation with the government.

Sir Robert Borden replied that Sir Sam was here to follow up on the charges, and he had asked the premier to administer the department of militia in the meantime, and that a considerable sacrifice he (the premier) had made in running away from the charges, but that the investigation would be a probe to the bottom. The Conservatives were much pleased at this statement of Sir Robert's statement of his position.

So that the honors are even so far as the two houses are concerned, the Conservatives went down quite grossly at the first one; they finished today amid loud cheers.

Said the tramps: "Bos, my 'dod' hungry, give me something to eat."

Said the boss: "I haven't time, and confound those rates they're all over this one dollar of graft, commission or rake-off had gone to J. Wesley Allison or anyone else."

Said the tramp: "Bos, give me a breakfast and I'll kill every rat you got," and after he had the meal he took up a stick, assumed a warlike attitude, and said:

"Bos, bring on your rats, and he was ready to slay every one of them."

Sir Robert Borden took this attitude and "Bos" on your charges and they will be brought to the bottom."

At 10 o'clock tomorrow morning the speaker will receive at the White House, Chairman Stone and Flood of the congressional committee, dealing with the fall of the house of Lords, and the foreign affairs, and Senator Lodge and Representative Cooper, the ranking Republican members.

The oft-repeated statement from the White House and by administration officials, that before breaking off diplomatic relations with Germany, the president would fully advise the heads of the foreign affairs committee, was recalled tonight, in connection with the announcement of the meeting, and it was everywhere regarded as the forerunner of a development of the utmost gravity.

Keeps Words Secret.  
President Wilson's purpose in going before congress is explained to be in recognition of the fact that while the executive branch of the government has power to break diplomatic relations, congress alone has the power to declare war, and the president feels, therefore, that it should be advised of an action in which it may subsequently be called upon to bear a part.

President Wilson has guarded with unusual precautions for secrecy the negotiations with Germany, the president would fully advise the heads of the foreign affairs committee, was recalled tonight, in connection with the announcement of the meeting, and it was everywhere regarded as the forerunner of a development of the utmost gravity.

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## MOST IMPORTANT TURKISH CITY IN THE BLACK SEA HAS BEEN TAKEN

### More Towns in Mesopotamia Soon Will Fall to Russians Speedy Loss of Erzinjan, Kharput and Diarbekr Expected, With Complete Isolation of the Turkish Armies.

LONDON, April 19.—The news of the fall of Trebizond which comes much earlier than had been expected, because it was known that the Turks had three divisions in the neighborhood of the city, and it was supposed, would make a stubborn defence, is believed here to have been largely due to the successful employment of the Russian fleet in assisting the land operations.

Since the dash of the cruiser Midilli (formerly the Breslau) nearly a fortnight ago, the Turks, aware of the inferiority of their Black Sea fleet, that of the Russians, have not undertaken any serious naval operations for the defence of Trebizond. The Russian strategy aimed at keeping all the Turkish forces brought from Constantinople for the defence of Trebizond fully occupied over the widest front. Thus, while the Russian armies were making a successful advance in the Kara Dere region, and bringing up reinforcements by land and sea, they also kept the Turks busy by continuous attacks to the south, in the region of Erzinjan and Beirbut.

The Turks made desperate resistance in the Tchoruk region, knowing that the Russian seizure of Rached, which is the junction of the roads leading to Trebizond, Erzerum and Erzingan, would involve the isolation of Trebizond and the Erzinjan armies and seal the fate of both.

Military critics are of the opinion that the Turks were given no time to recover and make a stand on the Jambola Dere River, five miles west of Kara Dere.

The fall of Trebizond will cause rejoicing in all the allied countries, as it is thought it will probably involve the speedy loss to the Turks of Erzinjan, Kharput and Diarbekr, and the fall of these towns would completely isolate the Turkish armies in Mesopotamia.

## WILSON TO LAY CRISIS BEFORE U. S. CONGRESS

Summons Important Session  
of Both Houses for  
Today.  
OBJECT KEPT SECRET

Event Believed to Presage Ul-  
timum or Break With  
Huns.

WASHINGTON, April 18.—President Wilson will lay the submarine crisis before the congress tomorrow, in the fall of the house of Lords, and the foreign affairs, and Senator Lodge and Representative Cooper, the ranking Republican members.

The oft-repeated statement from the White House and by administration officials, that before breaking off diplomatic relations with Germany, the president would fully advise the heads of the foreign affairs committee, was recalled tonight, in connection with the announcement of the meeting, and it was everywhere regarded as the forerunner of a development of the utmost gravity.

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That a grave cabinet crisis exists is undeniable, but according to an authoritative statement tonight no resignations, either ministerial or military, have yet been tendered, and it will probably be several days before the crisis is ended.

The Marquis of Crewe, lord president of the council, in his statement to the house of Lords today, which was the first official intimation of the gravity and complexity of the problems dividing the ministers, intimated the possibility that Premier Asquith might not be proposed even on Thursday to make his promised statement, in which case the house would sit the following Monday.

Both sides in this momentous conflict are marshalling all their available forces for the parliamentary struggle over Sir Edward Carson's motion for "universal military service." Strong whips are out, and all the members of the house of commons serving at the front have been granted leave to remain in London until a division is taken.

Lloyd George Mentioned.  
Political gossip tonight centres mainly around Minister of Munitions Lloyd George's supposed resignation as head of the government.

While the constitutional attack on the ministry is undoubtedly powerful and threatening, there are also strong forces making for the retention of the present coalition ministry. First, Mr. Asquith's known skill in surmounting political difficulties and holding his team together, and second, the problem of finding an alternative government to the present coalition, and the repugnance felt in large sections of the country to a change in the government at a critical stage of the nation's fate.

From Trench to Trench.  
Lord Milner led the government in its obstinate resistance to the principles of equal service, was being driven from trench to trench, and it was perfectly evident the government would

### Russian Caucasian Army and Black Sea Fleet, by United Energetic Efforts, Des- perate Fighting, and Heroic Exploits, Surmount Incredible Obstacles and Cap- ture Strongest Position on the Coast.

PETROGRAD, April 18, via London.—Trebizond, the most important Turkish city on the Black Sea, has been captured by the Russians. The fall of Trebizond to the Russian army is confirmed in an official communication issued late today, which says:

"Trebizond has been taken. The united energetic efforts of our Caucasian army and Black Sea fleet have been crowned by the conquest of this fortified town, the most important position on the Anatolian coast.

"Our valiant troops, after the sanguinary battle of the 14th on the Kara Dere River, pressed the Turks without respite and surmounted incredible obstacles, everywhere breaking the fierce resistance of the enemy. The well combined action of the fleet permitted the execution of most hazardous landing operations and lent the support of its artillery to the troops operating in the coastal region.

"Credit for this fresh victory also is partly due to the assistance given the Caucasian army by the troops operating in other directions in Asia Minor. By their desperate fighting and heroic exploits, they did everything in their power to facilitate the task of the detachment on the coast."

Trebizond is a city of Asia Minor on the Black Sea, 375 miles east of Constantinople and 100 miles north of Erzerum, the town stormed by the British steamer Matoppe on Sunday. It is situated on a strongly fortified position on the left bank of the Kara Dere, 12 miles outside the some 18,000 Christians.

The importance of the Black Sea port was due to the command of the point where the chief trade routes of Persia and Central Asia descends to the sea. It is separated from the rest of Asia Minor by barriers of rugged mountains 7000 to 8000 feet high, which the Russian armies had to traverse.

Aided by the Russian fleet the invaders pushed past the last series of natural obstacles along the coast, where on Sunday they occupied a strongly fortified position on the left bank of the Kara Dere, 12 miles outside the some 18,000 Christians.

Since the fall of Erzerum and the capture three weeks later of Bitlis, the Turks are said to have increased the Trebizond garrison until it contained three complete divisions, or about 24,000 men, and to have done everything possible to strengthen the Black Sea port.

#### BOLD PIRATE IS GIVEN LIFE TERM IN PRISON

Schiller, Alias Hudson, Will Go  
to Federal Prison at  
Atlanta.

WILMINGTON, Del., April 18.—Ernest Schiller, alias Clarence R. Hudson, who forcibly took possession of the British steamer Matoppe off Sandy Hook on March 29, terrorized the crew and compelled the captain to change the ship's course, was sentenced to a term of life imprisonment. He will be taken to the federal prison at Atlanta in a few days.

Schiller this morning pleaded guilty to the charge of piracy. He declared that he had seized the Matoppe, believing the vessel carried munitions of war for the entente allies "for the cause of Germany."

## WAR SUMMARY

### THE DAY'S EVENTS REVIEWED

TREBIZOND, the most important Turkish seaport on the Black Sea coast of Asia Minor, unless Sinope be excepted, has fallen to Russia, and Petrograd, where the news has been officially confirmed, is rejoicing at this renewed manifestation of success to Russian arms. From the meagre details of the bulletin announcing its capture, it is to be gathered that the Russians stormed it by a combined land and sea operation. The Russian official statement describes it as a fortified town and the most important position on the Anatolian coast. It was taken in a dash of the Russian coastal force after its victory on the Kara Dere River four days ago, and the storming columns of the czar probably entered the city right on the heels of the flying and disorganized Moslem troops. A garrison of three Turkish divisions had been delegated to defend the town, but that garrison was overwhelmed by the powerful Russian attack.

The value of Trebizond to the allies is that it gives the Russians an important sea base at the terminus of the roads from Constantinople and from Angora, and it offers a point of vantage for the launching of a flank movement should the Turks send a large force into Asia Minor to combat the Russian advance on Constantinople. That march must necessarily be slow, owing to the difficulty of dragging heavy guns and army supplies over the camel tracks which pass for roads in this region. The Russians will also have to build roads and keep forwarding supplies well to the head of their forces, also a slow process. But the second phase of the campaign can hardly be said to have begun until the Russians occupy Erzinjan and Diarbekr. The steady successes of the Russians have given a severe blow to the prestige of Enver Pasha and the junta, which dragged Turkey into the war. Trebizond was famous in ancient history and it was the seat of a Byzantine empire during the crusades.

St. Eloi still defies German assaults in the western theatre, for two small efforts of the enemy against the Canadian positions there were repulsed. British troops also penetrated German trenches at different points in the 30 hours preceding the time of writing the of-

(Continued on Page 4, Columns 1 and 2.)