

EXONERATION OF FLEMMING IN THE TIMBER CHARGES

EVERY OTHER MEMBER OF LOCAL GOVERNMENT ENTIRELY VINDICATED

Royal Commission Investigating Charges Made by L. A. Dugal Reports that Hon. J. K. Flemming did Not Extort Money From Holders of Provincial Timber Licenses—The Valley Railway Satisfactory in Every Particular and Every Dollar of Public Money Voted For it Has Gone Into Its Construction—Commission Also Exonerates All Other Members of Government but Finds There Was Technical "Compulsion" by Mr. Flemming in Case of One Railway Contractor.

Special to The Standard.

Fredericton, Nov. 19.—Lieutenant Governor Wood tonight authorized publication of the reports of the Royal Commission appointed to investigate the charges made by L. A. Dugal against Hon. J. K. Flemming and Hon. H. F. McLeod in connection with the construction of the Valley Railway and against Hon. Mr. Flemming in connection with the administration of the crown lands of the province. In the case of the crown lands charge Mr. Flemming is exonerated, the commission report stating that the charge that he directed W. H. Berry, Chief Superintendent of Soilers, to extort certain sums of money from holders of provincial timber licenses is not sustained by the evidence.

In the crown lands case the section of the report of the Commission containing its finding is as follows:

"The vital question in this enquiry is: Did Mr. Flemming through the agency of Berry extort these moneys from the said licensees of Crown Lands? The evidence does not convince us that he did, for against the evidence and circumstances mentioned from which such an inference might be drawn we have the positive and uncontradicted testimony of Mr. Flemming that he did not know or have any hint, knowledge or information that the contributions to said fund were to be otherwise than absolutely voluntary, which testimony we do not feel justified in totally casting aside and disbelieving.

"Not being satisfied by the evidence that the Hon. Mr. Flemming is guilty of directing the extortion of said moneys by the said William H. Berry before the lands were classified, we therefore find him not guilty as charged.

"There has been no evidence whatever to show that any other members of the Government had any knowledge of this fund or its collection; in fact Mr. Flemming in his testimony clearly stated this, saying that he was the only member of the Government, who had anything to do with the matter and that he had not consulted with his colleagues regarding it."

In the Valley Railway charge the section of the report containing the finding is based on the evidence of Contractor John Kennedy who testified that he gave to Mr. Flemming a package of money. There was no threat used in connection with the request for this money but the fact that Mr. Flemming at the time was premier of the province and Mr. Kennedy a contractor for a provincial government undertaking constituted a relation in which a suggestion from Mr. Flemming might be regarded as having the force of compulsion. The commission accordingly found the charge sustained. The charge against Mr. McLeod was not sustained. The Commission also found that every dollar voted for the Valley Railway had gone into its construction and that the road was entirely satisfactory.

Hon. Mr. Flemming last evening issued an open letter to the electors of the province which appears in full on this page. The text of the reports of the commission will be found on pages 8, 9, 10 and 11.

MINISTER OF FINANCE MAKES ENCOURAGING ANNOUNCEMENT

Government Pays Off Eight and a Half Millions of Treasury Bills Which Matured Yesterday—No More Outstanding and No Loan Mature Until 1919—No Special Obligation Except War Expenditures For Next 5 Years.

Special to The Standard

Ottawa, Ont., Nov. 19.—Hon. W. T. White, Minister of Finance, stated that the government had paid off in London treasury bills amounting to \$1,700,000, or \$8,500,000 maturing today. The Dominion government has now no outstanding treasury bills and no loan maturities until 1919.

This is a particularly fortunate position especially in view of present international money conditions. It means that no new loans will have to be floated to take care of maturing permanent loans which are usually of large amounts. During the past three years maturing loans of this character aggregating over thirty-five million dollars have been met.

The Minister of Finance has been criticized for the loans that he has made in London in the last couple of years.

In the two years from Feb. 1912 to January 1914 he borrowed \$110,000,000 in long term loans, besides certain temporary loans.

The money when he could get it and the wisdom of these operations is shown in the present fortunate position of the department of finance. Apart from the war expenditure there are no special obligations to meet for the next five years.

The permanent loans floated since Oct. 1911 were as follows:

Three and one-half per cent. loan, 1930-50, Feb. 1912, issue £5,000,000.
Four per cent. loan, 1940-60, Sept. 1913, issue £3,000,000.
Four per cent. loan, 1940-60, Dec. 1913, issue £4,000,000.
Four per cent. loan, 1940-60, Feb. 1914, issue £5,000,000.
Four per cent. loan, 1940-60, Jan. 1914, issue £5,000,000.
Total £22,000,000.

Promotion for Alex. Whitehead.

The many friends of Alexander Whitehead, late of Macaulay Bros. & Co., who left here with the First Contingent, will be pleased to hear that he is in good health and has been promoted to the rank of quarter-master sergeant.

Hon. J. K. Flemming Writes Open Letter To The Electors Of New Brunswick

To the Electors of the Province of New Brunswick, Gentlemen:

The Reports of the Royal Commission appointed by His Honor the Lieutenant-Governor under the authority of Chapters 22 and 13 of the Acts of 1914 to investigate charges made by Mr. Dugal in the Legislature concerning the Crown Timber Lands of the Province and the administration thereof, and also concerning the construction of the St. John Valley Railway and the administration of the moneys provided for such construction, having been received by His Honor, and having been made public through the newspaper press, it seems proper that I should make some statement concerning the reports, the findings therein, and my own position in regard thereto.

THE TIMBER CHARGES

Mr. Dugal's charge was, in short, that I extorted through the agency of W. H. Berry \$15.00 per square mile, or an amount of about \$100,000 from the licensees of the Province. The Commission, after the fullest scope was given for the submission of evidence, and after a careful review of the evidence produced, find when approaching the "vital" question that I "did not extort nor direct Berry to extort any moneys from the licensees." The Commission find that I had knowledge that a fund was being contributed to, but did not find that I had any knowledge that such fund was not entirely voluntary.

The investigation naturally brought the whole Crown Lands administration under examination, and I wish the public to note several important points in connection with the recent legislation affecting the administration of the Crown Lands Department. First, no person denies the need there was for dealing by legislation with the subject of Crown Lands in the interests both of the Province and the lumber industry. Second, no public criticism has been made of the Crown Timber Act of 1913 either by the public men or newspapers of the Province. Third, the Act above referred to provided for the submission of Crown Timber Leases without public competition and for the fixing of a bonus to be paid per square mile in lieu of the public sale, as previously carried out. That bonus was fixed on my recommendation by the Lieutenant Governor in Council.

The Commission does not hint that the legislation was suggested by any contribution by the lumbermen; in fact, the Act was passed several months before any such contribution was made, and the Commission find that the bonus was fixed without any regard to the above mentioned payments, and further, that they were strongly impressed with the statements of the lumbermen, under oath, that the bonuses were too high, having in view both the interests of the Province and the lumber industry. It will thus be seen that there has been no suggestion of the legislation, and the Commission's finding practically means that it has been carried out administered in the public interest and in accordance with justice such conclusion.

Under the public sale method the lands of the Province were leased from 1893 to 1913, and in that period the Province received \$252,132.07, which was under the twenty-five year lease. The bonus system under the Crown Timber Act of 1913 provided for a fifteen year extension from the expiration of the above mentioned twenty-five year period, and the amount received for such extension in 1913 was \$11,022.53, and a further \$411,022.43 would be paid the Province, thus making a total of \$822,154.86 coming to the Treasury of the Province for a fifteen year concession to cut timber, as against \$252,132.07 for a twenty-five year concession under the old law.

An undeniable fact is the Crown Timber Act of 1913 was good legislation, and the way it was administered has been successful from the standpoint of the Province.

In regard to the contribution of moneys by the lumbermen to the fund, the Commission find that "the money was extorted by Mr. Berry." If such was the case, then I believe the money ought to be immediately returned. I do not believe the money was extorted, having in mind the attitude of the lumbermen for months previous to that time, and also the evidence given by the great majority of them before the Commission. In view of the Commission's findings, however, I have written to Mr. Teed today as follows:—

Woodstock, N. B., Nov. 19, 1914.

E. R. Teed, Esq., Town.

Dear Sir:—The report of the Royal Commission appointed to investigate the Crown Timber charges has been made public today. That report finds that the moneys paid by the lumbermen to a fund, a considerable portion of which came to your hands as treasurer, was extorted by Mr. Berry.

Without seeking to exercise any control over the fund or any right to direct in regard to its disposal, yet I feel strongly that in view of the Commission's report that amounts contributed by various lumbermen which came to your hands ought to be made available to them.

If this course appeals to your judgment it would seem the question as to the party receiving moneys that were not freely and voluntarily contributed.

Yours sincerely,

J. K. FLEMMING.

It is my earnest desire that if any, or all contributors to that fund did so under pressure of official influence or under pressure by Mr. Berry, or with any other feeling than that it was a free and voluntary contribution, then such payment ought to be at the earliest moment returned.

On statement contained in the report is as follows: "It is also manifest that he (Flemming) directed the disposition of such moneys when collected." That statement I do not think is borne out by any evidence; at least, I never heard any such evidence, nor read of any such evidence being given, and I say most positively that that statement is not true in fact. I neither "suggested" the collection, nor "directed the disposition" of any moneys when collected.

My administration of the Department was carried on from day to day with but one single object and purpose in view, and that was to properly administer the Department in the interests of the people of the Province, and I conscientiously believe that in that respect I have been successful.

THE RAILWAY CHARGES.

The principal charge here is that of all the moneys provided by the Province by guarantee of bonds and paid by the Dominion by subsidy, an amount of from six to eight hundred thousand dollars of such money had been diverted from its proper purpose and used for purposes other than the construction of the railway. The Commission went fully into the accounts, witnesses were examined representing the Construction Company, sub-contractors were examined, and all books of account produced, as well as the audit of a chartered accountant, who audited the whole of the expenditures. The Commission find that the books of the Construction Company were kept in a thoroughly satisfactory manner, and all the information which they asked for was supplied, and having reviewed all the facts they find that the charge of this branch of the inquiry "falls to the ground." They also find after an inspection of the railway that "the line of railway seemed to be very satisfactory and well constructed throughout."

The utter recklessness of Mr. Dugal, or the men behind him who made the charges, is shown in stating that from six to eight hundred thousand dollars were diverted, and, then, as the Commission points out, only attacking expenditures amounting to about \$100,000. In the items composing that amount the Commission has found no proof of diversion and the whole reflection by the Commission on this branch of the inquiry narrows down to two items amounting to about \$4,000.

AUSTRIAN.

London, Nov. 20, 3.07 a. m.—A Reuters despatch from Vienna, by way of Amsterdam, gives the following official statement:

"The battle in Russian Poland progresses favorably. According to the day's information our troops have captured 7,000 prisoners, 12 machine guns and several field guns."

WELSH-DUFFY BOUT

Buffalo, N. Y., Nov. 19.—Freddie Welsh, world's champion lightweight, fought a ten round bout with Jimmy Duffy of Lockport, here tonight, upon the result of which opinion was divided between a draw and a shade for Duffy.

Early Morning Arrest.

Sergeant Kilpatrick arrested between twelve and one o'clock this morning Scott Scribner, aged eighteen for entering Morris's sweet and confectionery store, 149 Main street, with a false key, and attempting to open a cash register. Eighty cents and eighteen keys besides a quantity of paper and matches were found on his person.

PRISONERS IN ENGLAND ARE WELL TREATED

Fare Better than Those in Germany Who Suffer from Lack of Nourishing Food and Unsanitary Conditions.

London, Nov. 19.—Investigation of conditions in the concentration camps in England and Germany all goes to prove, so far as the prisoners in England are concerned, that they enjoy vastly superior bodily and mental comforts. At Dorchester where there are nearly one thousand interned the food is wholesome and sufficient while facilities are given for recreation and study. United States investigators in Germany, though they have not yet reported officially, have stated to a journalist that the English prisoners suffer both from lack of nourishing food and unsanitary conditions.

Reports from Vienna show a more satisfactory state of things as regards Austrian treatment of prisoners.

The feeling of the German prisoners at Dorchester camp have been expressed in a unique testimonial, to Congressional Chaplain Holmes, who on relinquishing his duty received a pair of silver candlesticks inscribed in German, "to our esteemed pastor." An illuminated address with one hundred signatures accompanied the gift.

BERLIN LOOKS FOR EARLY FALL OF BELGRADE

Official Report Says Bombardment of City is Being Kept up—Regard Outlook in East as Favorable.

Berlin, Nov. 19, by wireless to Sayville, N. Y.—Included in the information given out to the press today in official quarters is the following:

"Reasons of strategy prevent the disclosure of military movements in the east, yet the official report that operations are progressing favorably indicate that the victory of Wloclawek is being followed up.

"In view of the condition of the roads behind the Russians, and the difficulties of a retirement for them, it seems probable that they will stand against the German attack which, judging from the existing situation probably will be frontal, and against their right wing.

"An official report given out in Vienna says that the German victory near Kugo has had an excellent effect upon the forces in Galicia, who have taken some advanced positions of the enemy in the Cracow area.

"Special despatches from the Serbian areas of the conflict to Berlin papers predict the early fall of Belgrade. Coincident with the Austrian entry into Valjevo, the commanding officer at Semlin sent an emissary to Belgrade with the demand that the city surrender. The commandant of the Belgrade fortress asked an hour for consideration. He did not reply at the end of that time, and the bombardment by the Austrians was recommenced.

"The people of Valjevo scattered flowers along the roadways as the Austrians entered. At the same time some reinforcements threw a bomb from a second story. The house whence this missile came was wrecked by the infuriated soldiers.

"The Serbians have retired seven miles to the southeast of Valjevo, where fighting now is in progress."

MAJ. BECHER, OF SECOND GURKHA REGIMENT KILLED IN FRANCE

London, Oct. 19.—Major Henry Sullivan Becher of the Second Gurkha Regiment, a cousin of Lt. Col. Campbell Becher of this city, who is now with the first Canadian contingent at Salisbury Plains, has been killed in action in France, according to a cablegram received today by Mrs. K. M. Becher of this city.