

DID WARNING OF BRITISH CONSUL GO UNDEEDED?

First Day of Shell Enquiry Ends at Dramatic Moment on Brink of Important Revelation.

Allison in Attendance, Apparently in Good Health But Not on Stand—Offer to Canadian Manufacturer a "Poor Proposition," Admits Col. Carnegie—Shell Committee Responsible Only to Canadian Government.

Ottawa, Ont., April 22—Canada's first official glimpse behind the scenes in the national tragedy of making patriots pay ended dramatically. The initial sitting of the royal commission charged with the duty of investigating the Kite disclosures regarding fuse contracts terminated with all the zest of a continued on our next sheet.

Honorary Colonel David Carnegie, representative of the Canadian shells committee had been on the stand all day. He had reached an interesting part of his story. At the solicitation of General Sam Hughes, he told the commission, he hunted up Honorary Colonel J. Wesley Allison in New York. The latter had placed him in touch with a colony of Americans consisting of Youkin, Bassic, Caven, Campbell, Baker, Gladick and others whose names he did not recall. A meeting with these gentlemen was arranged to consider contracts. Colonel Carnegie and General Bertrand, chairman of the shell committee, proceeded again to New York. They walked into the Manhattan Hotel the morning to hear a staff sergeant voice, diligently "padding" them. The message awaiting was from Sir Courtney W. Bennett, British consul general in New York. It read: "DO NOT SIGN ANY CONTRACT FOR TIME FUSES UNTIL YOU COMMUNICATE WITH ME. THIS IS MOST IMPORTANT FOR CANADA."

"Are we not to have the denouement before adjournment?" queried Sir William Meredith, when Mr. L. F. Hellmuth, K. C., counsel for the government at this point indicated his desire for adjournment.

Mr. Hellmuth preferred adjournment. The time for rising had been reached. The commissioners left the bench. Lawyers gathered together their papers. A disappointed and speculating audience departed. But the sitting was not without its startling features.

Status of Shell Committee Proven.

A series of de-coded official cablegrams between Canada and Britain produced during the evidence of the Colonel Carnegie was the real surprise of the sitting. At their reading the supposition that the defunct shell committee had been the trustee of the British government faded. The cables established that the relationship was contractual. They demonstrated that the Canadian government had been the direct agent of the British war office throughout, acting or pretending to be acting for the Imperial authorities in a fiduciary capacity.

This disclosure raised unusual interest by reason of the fact that it was in direct opposition to the statement made in parliament on April 18, 1915 by Premier Borden, when the latter read the house of commons a statement defining the position and the duties of the shell committee.

Right asked from these legal gladiators sat F. B. Carvell, M. P., with the scalps of various big antagonists in his belt, the "man behind" the Kite disclosures. On his right was S. W. Jacobus, K. C., of Montreal, a leader of the Quebec and the latest forensic giant to appear on the scene. On his left was J. S. Markey, K. C., partner of R. G. Smith, K. C., of Montreal, an ex-Liberal, and a "fighting" member of the legislature. Brunswick M. P. is away on parliamentary duty.

Over at another table—right under the commissioners—sat I. F. Hellmuth, K. C., counsel for the government, with volumes of correspondence and sheets of typewritten documents before him. Here, too, sat P. B. Johnston, K. C., counsel for the opposition, with a piece of paper, diligently taking notes throughout the proceedings. Behind him were stationed Hon. Albert William Atwater, K. C., veteran of many legal combats and noted politician as well, representing the International Fuse Company.

For a half of the others who crowded the court room were newspaper men. The ordinary provision for the press was totally inadequate and dozens of extra desks had to be grouped around the court. A large staff of five men engaged in reporting the proceedings. The telegraph companies had installed instruments in adjoining rooms and the reporters worked relay.

Canadian Press Report.

Ottawa: A portion of tonight's Canadian Press report on the shell inquiry reads as follows:

A feature of the sitting was the refusal of Wallace Nesbitt, K. C., to prove certain contracts until he knew whether the British war office was acting as government courier or as Jewell and Hyde, and in opposition to the shell committee. Much importance is attached to the letter from the British consul general, and there is a natural curiosity to know what operated in his mind when he wrote the letter. It was not in the ordinary way. Word evidently had reached Sir Courtney Bennett that Colonel Carnegie was on his way to New York in connection with the fuse contracts, and a special messenger was despatched to the Grand Central station to meet the train and present two letters, one to Colonel Carnegie and the other to General Bertrand.

The bringing out of this evidence was somewhat in the nature of a surprise, but it is clear that Mr. Hellmuth, K. C., the government counsel, is anxious to bring out all the facts.

Through the fuse contracts and a contract for cartridge cases are alone comprised in the evidence, the questions put by Mr. Hellmuth cover the whole ground as to the shell committee's organization, and the way is opened up for cross-examination on all these points.

Chief Justice Meredith said little today, but his remarks were very much to the point.

When Mr. Carvell, M. P., on one occasion remonstrated against Colonel Carnegie's explanations and comment, Sir William said that any objections should be addressed to the court, but in the witness. Later on the chief justice advised Colonel Carnegie to "get down to the marrow," rather than going into the fullest detail of every incident leading up to the contract.

There is promise of the commission being pressed for a ruling as to the right of counsel to propose the shell committee. Mr. Nesbitt, K. C., apparently determined that he should not pass to Mr. Johnston and his associates until the gentleman declares himself. Mr. Johnston was appointed by the government, but was nominated by Sir Wilfrid Laurier, presumably to present the

SHIP BUILDING ONCE UP IN OTTAWA HOUSE

Sir George Foster Forecasts Commission to Take Over Encouragement of Industry.

DR. PUGLEY'S PLEA FOR WOODEN VESSELS.

Ottawa, April 22—When the motion was made for the house to go into committee of supply today Sir George Foster made a statement regarding the increase in ocean freight rates and the scarcity of ocean tonnage. He said, members of the opposition had shown an inclination to hold the government responsible. The scarcity of ocean tonnage, he asserted, was the key to the whole situation. Because of the scarcity of ships freight rates had advanced. Members would be surprised if they added up the amount of tonnage which had been lost through submarines and mines and the like.

There had been activity in the building of ships in Great Britain but now the construction was only with difficulty keeping up with the losses mentioned. It seemed impossible to regulate ocean freight rates at present. If Canada attempted to regulate the rates charged by subsidized vessels those vessels would simply go to other countries and further decrease the tonnage available for the carriage of Canadian goods. The government had to some extent kept down rates on subsidized lines. If, however, it attempted to reduce them materially on those lines, the ships would simply abandon the services for which they were subsidized and go elsewhere. The minister of trade and commerce argued that the situation would not be better if the government chartered or bought vessels for the reason that it would be compelled to charge commercial rates and discriminate against the majority of shippers. The only manner in which the government could relieve the situation would be by providing the necessary tonnage of ships to increase the supply of available tonnage.

Subsidy Asked on Wooden Ships.

The minister said that the government had asked responsible persons what amount of tonnage subsidy would be necessary to reduce the building of wooden vessels of economical tonnage from 400,000 to 500,000 tons. In reply it had been ascertained that a subsidy of \$500,000 a year would be necessary.

The government had not received a single responsible offer for the construction of wooden ships. He had got an offer to build steel ships at the rate of \$100 to \$150 a ton with delivery in the latter part of 1917. Sir George thought the offer was a good one. The time of completion was too far distant.

Sir George mentioned construction tonnage subsidies and the plan adopted by the States of subsidizing tonnage for the construction of new tonnage by means of encouraging shipbuilding. For himself, he appeared to favor the plan rather than the other, but he was not sure of the merits of the plan. The plan would mean the appointment of a committee composed of the ministers of trade and commerce, naval service and the navy, with naval service as chairman. It would be necessary for men experienced in the shipping business to be appointed by the government.

Over at another table—right under the commissioners—sat I. F. Hellmuth, K. C., counsel for the government, with volumes of correspondence and sheets of typewritten documents before him. Here, too, sat P. B. Johnston, K. C., counsel for the opposition, with a piece of paper, diligently taking notes throughout the proceedings. Behind him were stationed Hon. Albert William Atwater, K. C., veteran of many legal combats and noted politician as well, representing the International Fuse Company.

For a half of the others who crowded the court room were newspaper men. The ordinary provision for the press was totally inadequate and dozens of extra desks had to be grouped around the court. A large staff of five men engaged in reporting the proceedings. The telegraph companies had installed instruments in adjoining rooms and the reporters worked relay.

Canadian Press Report.

Ottawa: A portion of tonight's Canadian Press report on the shell inquiry reads as follows:

A feature of the sitting was the refusal of Wallace Nesbitt, K. C., to prove certain contracts until he knew whether the British war office was acting as government courier or as Jewell and Hyde, and in opposition to the shell committee. Much importance is attached to the letter from the British consul general, and there is a natural curiosity to know what operated in his mind when he wrote the letter. It was not in the ordinary way. Word evidently had reached Sir Courtney Bennett that Colonel Carnegie was on his way to New York in connection with the fuse contracts, and a special messenger was despatched to the Grand Central station to meet the train and present two letters, one to Colonel Carnegie and the other to General Bertrand.

The bringing out of this evidence was somewhat in the nature of a surprise, but it is clear that Mr. Hellmuth, K. C., the government counsel, is anxious to bring out all the facts.

Through the fuse contracts and a contract for cartridge cases are alone comprised in the evidence, the questions put by Mr. Hellmuth cover the whole ground as to the shell committee's organization, and the way is opened up for cross-examination on all these points.

Chief Justice Meredith said little today, but his remarks were very much to the point.

When Mr. Carvell, M. P., on one occasion remonstrated against Colonel Carnegie's explanations and comment, Sir William said that any objections should be addressed to the court, but in the witness. Later on the chief justice advised Colonel Carnegie to "get down to the marrow," rather than going into the fullest detail of every incident leading up to the contract.

There is promise of the commission being pressed for a ruling as to the right of counsel to propose the shell committee. Mr. Nesbitt, K. C., apparently determined that he should not pass to Mr. Johnston and his associates until the gentleman declares himself. Mr. Johnston was appointed by the government, but was nominated by Sir Wilfrid Laurier, presumably to present the

SUMMER SHOES FOR MEN WHO WORK

WILL AGREE TO NO ACCLAMATION IN WESTMORLAND

Opposition Party in That County Not Willing to Submit to Further Period of Misrule.

Fredericton, N. B., April 22—The proposition made by P. G. Mahoney's friends for his reelection in Westmorland county by acclamation in case he accepted the post of minister of the Opposition and resigned his present occupation at that office testifying or being relieved of his duties, has not made any headway.

E. S. Carter, opposition organizer, received the following reply today in answer to his telegram of Monday to E. A. Smith, of Shediac, president of the Opposition Association, expressing the hope that friends of the opposition in Westmorland would not permit any election without a contest.

Fredericton, N. B., April 22. Just home. Your telegram received. Our friends in the province may rest assured that the county of Westmorland will do its duty and submit to no acclamation at its (Signed) E. A. SMITH.

DANGER THAT VALLEY RAILWAY MAY BECOME PROPERTY OF C. P. R.

Such a Scheme is at Least Suggested by Fact That Road is to be Linked Up With C. P. R. at Westfield—"Anything to Save Tory Party"—The Gould Claims.

Fredericton, April 22—The local government has evidently called upon Mr. Gutelius and the dominion government to assist it in patching up some kind of a Valley railway deal which it is hoped may secure, however badly, to tide the local administration over its present difficulties, by way of promises for the future. Their situation is desperate.

The result is another Gutelius agreement. The local government takes refuge behind the plea that the C. P. R. operating should entitle Mr. Gutelius to say what the route of the railway shall be. It is noticed that nothing more is said or heard about the possibility that the dominion government may ultimately take the Valley railway over and re-pay the province for its expenditure. This has been hinted at by government spokesmen in St. John, but nothing was said about it in the legislature. Consequently people are remembering that the Valley railway is being sold to the C. P. R., there is a feeling that the Valley line may become the property of the Canadian Pacific. At all events linking it up with the C. P. R. at Westfield suggests such a scheme, as the possibility that the line will be built from Robesart to Grand Falls. There is no chance now for reduced freight rates for the people along the Valley railway or the C. P. R.

Daniel Mullin, K. C., appeared for the attorney-general and Lieut.-Colonel G. W. Fowler, K. C., M. P., for the defendant. Dr. Anglin was in attendance at the request of the government's lawyer, while Dr. Burnett had been called in order to testify by Lieut.-Colonel Fowler.

MEELY ACCEPTS IT.

The local government meekly accepts all this, just as if the people of New Brunswick were not paying for the Valley road. Members of the local government are merely saying to their Ottawa bosses: "We know you did not mean it when you promised to build the bridges across the St. John river and pass legislation to do so. It is time that we

carried your promise back to the New Brunswick people and then ask them to guarantee \$2,000,000 more of bonds. But that is past and gone. We are liable for the \$2,000,000 and you can break your pledged word to us. We won't protest. Anything to save the Tory party. We will link up the road somewhere. We can't stay in power much longer and some one else will bear the burden of the Ottawa whip."

That is the situation. Even members whose counties were gravely injured are not saying a word in protest. They are bound by the Ottawa shackles and urged by the Ottawa whip.

The Gould Claims.

That section of the Valley railway bill which essays to take care of Mr. Gould and his claims reads as follows: "Any claim made by Arthur F. Gould on his behalf, being shareholders in the St. John and Quebec Railway Company, on account of loss, damage or injury sustained by them in consequence of the passing of the act George V., Chapter 8, or because of any claim thereunder, as well as any claim which the said Gould and his associates may otherwise make against the said company may be referred by the lieutenant-governor-in-council to an arbitrator or arbitrators to be named by the said lieutenant-governor-in-council, who shall also consider any claims by or on behalf of the province or company against the said Gould and his associates, and whose decision upon such claim or claims may be set aside on appeal by the lieutenant-governor-in-council as a part of the cost of construction of the said railway."

THE PROHIBITION BILL DISCUSSED

Fredericton, April 22—This has been an all day session of the legislature. The hour opened at 10 o'clock and the prohibition bill was the order of the day. The contents were allowed to stand over and there were a good many marked "stands."

The measure under consideration were the second part of the election act deferring boundaries of electoral divisions and making some alterations. This will complete the election act which will be in force at the next election.

The bill to provide for assessment for patriotic funds for 1917 was under consideration. An amount of nearly half a million dollars was necessary to provide for the families of the soldiers at the front next year and instead of seeking to raise this money by private subscription the municipalities will be required to levy a special patriotic tax based upon their valuation. This bill is in the hands of the attorney-general and the minister of finance. A caucus of government supporters, many of whom are members of the legislature, held a meeting last night to discuss the bill and to decide upon the policy to be followed. It is believed that the bill will be passed without a contest.

SUPREME COURT GIVES DECISION CANCELLING ST. ANDREW'S MORTGAGE

How F. B. Carvell Saved Thousands Of Dollars For The Country

Fredericton, N. B., April 27—A copy of evidence taken in the district supreme court of Montreal relative to the assets of James McDonald and others who were sued by Michael Connolly, gives an interesting insight upon the hay contract and the profits of the Atlantic Hay Company of New Brunswick, which is the concern in which F. B. Carvell, M. P., and James McDonald and others were much interested. This company obtained a hay contract from the agricultural department of the dominion government to ship hay from New Brunswick overseas and the contract was of such a character that it was exposed by F. B. Carvell, M. P., in parliament. The debate that followed was read with great interest in New Brunswick, but James McDonald, one of the company, now supplies the missing statements on oath in the court above referred to, which proves that F. B. Carvell's exposure of the transaction saved the country at large the considerable sum of \$30,000.

James McDonald is a hay and grain merchant in the city of Montreal, and on pages 11, 12, 18 and 14 of the court records the following sworn testimony appears:

Q.—Now, when is the financial year of the Atlantic Hay Company ending?

A.—It will end as soon as the contract ends.

Q.—What do you mean by that?

A.—If the contract ends tomorrow, then the year ends. If it does not end, it will continue on, until the contract ends.

Q.—Well, surely you strike a balance some time?

A.—The contract does not strike a balance until the contract is completed.

Q.—What contract is that?

A.—The contract with the government for pressing hay.

Q.—And you are going on and getting along all the time without striking a balance?

A.—It only takes three or four months. They only work in the winter time. They do not work in the summer. It is only a small contract.

Q.—So that you cannot tell me what profits have been realized by the Atlantic Hay Company?

A.—I could not tell you because the government has limited them to \$1 a ton, and an auditor is going to put on the books.

Q.—You are limited to \$1 per ton profit?

A.—Yes.

Q.—How many tons?

A.—Fifteen thousand tons.

"Carvell Got After Them."

Q.—So that the Atlantic Hay Company will realize \$15,000?

A.—Yes, and the government has limited it to that. They had a better contract before in which they made about \$46,000 or \$50,000, but it was cut down after Carvell got after them in Ottawa. He is responsible for getting \$2 a ton cut off.

ALBERT CIRCUIT COURT ADJOURNED

Hopewell Hill, N. B., April 22—The April session of the Albert circuit court which was to have been held tomorrow was adjourned until May 16, on account of the council in the case of Duffy v. Read, which came up for trial being unable to attend. Judge Barry of Fredericton, will preside at the session in May in the place of Judge Landry who is unwell. A. W. Bray, clerk of the court, will proceed to the Cape tomorrow to arrange for the necessary adjournment of the date. The necessary civil suit to come up for trial and which is one of considerable importance, is a suit in which John Duffy, of Coverdale is plaintiff, and a Montserrat defendant, the latter being sued for damages alleged to have been caused by an automobile driven by him colliding with the plaintiff's carriage. Messrs. Stewson and Teed are the counsel for the plaintiff and E. A. Bently & G. W. Fowler for the defendant.

FOLLOWED BY GOOD WIVES

River Bank, April 24—A number of the friends of Mrs. M. A. Buchanan, Norton, met at the home of A. H. Wilcox, Mrs. Buchanan's father, on Thursday 24th inst. to convey to them their good wishes for a pleasant journey to their new home in Saskatchewan. The event was a great surprise to Mr. and Mrs. Buchanan. A very pleasant evening was spent in music, games and social chat. Refreshments were served during the evening, and a substantial lunch about midnight. Mr. Wilcox and family returned there with a nice suit case. The guests departed after singing God Save the King, leaving with Mr. and Mrs. Buchanan their united wishes for their future success, together with several more substantial tokens of regard. They have lived most of their lives in this neighborhood, and will be greatly missed. The good qualities which endeared them to their many friends here will doubtless gain them new friends in their adopted home. They are going to live near Moose Jaw (Saskatchewan) before leaving Mr. Buchanan disposed of his care to Oscar Perkins, Belle Isles.

Mrs. Mabel Saunders, teacher at Hatfield, was a visitor at the home of Thomas Humphreys one day of last week.

PURITY FLOUR

More Bread and Better Bread

NO GIRL NEED HAVE A BLOTCHED FACE


Whether it be in capturing the heart of a man or making her way through the world by the toll of her hands, a charming and pretty face gives any girl a big advantage. Poor complexion and rough, yellow skin are caused by blood disorders. The cure is simple. Just use Dr. Hamilton's Pills—a reliable family remedy that has for years won the foremost blood remedy in America. That soft glow will return to the cheeks, the eyes will brighten, appetite will improve, strength and endurance will come, health and sunny good nature will be established. Get a 25c box of Dr. Hamilton's Pills today. Sold everywhere.

A PRESENTATION.

Newcastle, April 22—A meeting of the Edith Cavell Patriotic Club was held yesterday afternoon, at which Misses Grace and Helen Savage were presented with an address and pearl necklaces. The address was read by May McEvoy, vice-president of the club, and the presentation was made by Mons Landon, president. Grace has been secretary of the club since its organization last fall, and both girls are valued members. The best wishes of all their friends will follow them to their new home in Marysville (N. B.).

WHEN A GIRL NEED HAVE A BLOTCHED FACE

Whether it be in capturing the heart of a man or making her way through the world by the toll of her hands, a charming and pretty face gives any girl a big advantage. Poor complexion and rough, yellow skin are caused by blood disorders. The cure is simple. Just use Dr. Hamilton's Pills—a reliable family remedy that has for years won the foremost blood remedy in America. That soft glow will return to the cheeks, the eyes will brighten, appetite will improve, strength and endurance will come, health and sunny good nature will be established. Get a 25c box of Dr. Hamilton's Pills today. Sold everywhere.



THE HIGH COST OF LIVING
The low cost of living
The low cost of living
The low cost of living