

This is Shameful of Mutt, and Jeff Fell, Too :: :: :: :: By "Bud" Fisher



Probing Mysterious Loan of \$350,000 From Trust Co.

Efforts of Counsel Meet With Determined Opposition—Evidence of Repayment From Railway Construction Funds—Government Generous

Some astonishing financing was the feature of yesterday's evidence before the Royal Commission on the Dugal charges. It developed during the testimony of yesterday that no sooner had the proceeds of the bonds deposited with the Prudential Trust Company than a loan of \$350,000—which had been arranged for previously—was secured from the trust company by A. R. Gould, Ross Thompson, H. E. Macdonell and F. J. Liman. This was before serious construction work was under way. It was shown that \$207,000 of this as yet mysterious loan was subsequently repaid out of money given to the railway company on progress estimates. In other words, portions of the money provided by the province for construction work from time to time was apparently used to pay off a great part of this \$350,000 loan the purpose of which has not yet been made clear. The men who constituted the company, it was proved at every turn, put in no money of their own. They didn't have to. There was an easier way. Not only did they get this \$350,000 loan before doing any serious work on the railway, but they failed to put up out of their own pockets the \$30,000 paid by the province for surveys. The legislature specified that the railway builders—the Gould interests—should repay this to the province before any bonds were guaranteed or converted. They did not do so. They repaid it out of the bond money when they began to draw upon that. Also, the legislation provided that the bonds were to realize not less than 90 per cent. They were sold at about 95. The Gould interests were to pay the difference—some \$25,000—of their own resources. They didn't. In time they made a demand draft on the Prudential Trust for this \$25,000. They knew what they were doing evidently, for subsequently the Flemming government amended the legislation and by a retroactive clause it was made legal to sell the bonds (already sold) at 95. It was easy. The company was to meet the interest on the bonds in London out of its own funds. It did not do so but met the interest in one case at least out of the proceeds of the bonds on which the interest was payable. It was definitely announced at yesterday's hearing that no session of the commission would be held in Fredericton this week.

The afternoon session resumed with B. Hal Brown, of the Prudential Trust Company, Montreal, again on the stand. Mr. Carvell asked for the decision of the court regarding his last question and was told that it was allowed. Q.—What portion of the \$80,000 amount was used for the repayment of your loan to the railway company? A.—I cannot tell without the records and they have not arrived from Montreal. Q.—You have a reasonable hope that they will come? A.—Yes. Q.—What adjustment was made of the \$12,500 which you had received in partial repayment of the loan in the meantime? A.—I am not in a position to say. Q.—There is another amount of \$4,000 on October 15, shown as 2 1/2 per cent on \$160,000; was that paid on the loan of \$80,000 also? A.—I think so. Q.—When and which amounts were paid on this \$85,025 loan?

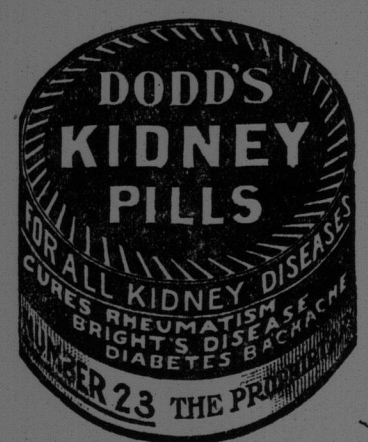
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Stomach Troubles Due to Acidity SO SAYS EMINENT SPECIALIST

So-called stomach troubles, such as indigestion, wind, stomach-ache, and inability to retain food, are in probably nine cases out of ten simply evidence that fermentation is taking place in the food contents of the stomach causing the formation of gas and acids. Wind distends the stomach, and causes that full, oppressive feeling sometimes known as heartburn, while the acid irritates and inflames the delicate lining of the stomach. The trouble lies entirely in the fermenting food. Such fermentation is unnatural, but may involve most serious consequences if not corrected. To stop or prevent fermentation of the food contents of the stomach and to neutralize the acid, and render it bland and harmless, a teaspoonful of bisulphated magnesia, probably the best and most effective corrector of acid stomach known should be taken in a quarter of a glass of hot or cold water immediately after eating, or whenever wind or acidity is felt. This stops the fermentation, and neutralizes the acidity in a few moments. Fermentation, wind and acidity are dangerous and unnecessary. Stop or prevent them by the use of a proper anti-acid, such as bisulphated magnesia, which can be obtained from any druggist and thus enable the stomach to do its work properly without being hindered by poisonous gas and dangerous acids.



paid and repaid was part of the \$75,000 loan.

Mr. Fowler—What business is it of the commission what the company did with the money that was theirs? They had the right to throw it into the ocean if they liked.

The chairman—Is that so? Didn't they make the claim that they were not receiving enough money to pay their bills?

Mr. Carvell (to witness)—The trust deed was drawn on May 14 and on the 23rd the first advance on the loan, is that correct?

Witness—Apparently. Q.—And that advance was \$75,000? Mr. Teed objected.

In the course of a long argument on the admissibility of the evidence Mr. Carvell said it was admitted that the amounts necessary to reduce the loan from \$300,000 to \$145,000 had been provided out of the funds.

Com. Flaher—In view of the notoriety that the construction of the Valley railway has attained I thought they would desire to make their position as clear as possible and that it would be desirable from their standpoint that they give as full evidence as possible.

Mr. Carvell—I have shown that \$207,000 was to pay private individuals. Mr. Markey—The amounts were advanced month after month at \$80,000.

Mr. Carvell—So far as we know it was made to private persons outside. We know that Mr. Gould and Ross Thompson were officials of the railway company. I do not know if Mr. Gould was an official of the construction company; I have no record of it. I have subpoenaed Mr. Gould's son who is an official of the company and that I learned from the newspapers. (To the witness)—Does the document which I hold in my hand, headed the Quebec & St. John Construction Company, contain any of the items of the payment of this loan, the source of which you said was from the fund from the guarantee bonds?

Mr. Teed objected but the question was allowed. Witness—Yes.

Mr. Carvell—Then I offer this in evidence showing the account of the transaction.

Mr. Fowler objected that it would be a reversal of a former ruling. The chairman said that the commission would consider the admissibility of the document and at 4.50 o'clock the inquiry was adjourned until today at 10 a. m.

RECENT DEATHS

The death occurred on Wednesday evening of James H., son of the late Robert and Margaret Telfer, leaving three sisters to mourn. Those surviving are Mrs. Patrick Murphy, of Roxburg (Mass.), Miss Bessie Telfer, of Boston, and Miss Agnes Telfer, of Spokane (Wash.). The deceased was a member of the 62nd regiment and was a South African veteran. He had been in the employ of Dr. Daniel Berrymann for many years.

Mrs. Charlotte J. Roberts, wife of Herbert R. Roberts, died last evening at her home, Victoria street. She was fifty-four years of age and leaves her husband and two sisters. She was a member of the Victoria Street Baptist church.

Mrs. William Thurlley died last evening at the home of her brother-in-law, William Morris, 98 Acadia street, and the funeral will be held from there at 7.30 o'clock on Saturday morning to St. Peter's church. Mrs. Thurlley was a native of Chapel Grove, Kings County and is survived by three sisters, Mrs. H. S. Wetmore and Mrs. Morris of St. John, and Mrs. Charles McLennan of Baywater.

Charles G. Theal, son of the late Dr. W. J. Theal, died at Pandemic yesterday after a short illness. The funeral will take place on Saturday after the arrival of the nine o'clock train at St. John.

OUTLOOK FOR BETTER RAILWAY BUSINESS

Everybody in the railway or railway supply business has been as blue as indigo for many months regarding the business situation. The Railway Age Gazette, from which we quote, says it has been as blue anybody else, but it is of the opinion that the time has arrived when reason suggests that optimism should supplant pessimism in these two great lines of industry. A combination of conditions is developing, which, if nothing happens to interfere with its development, will make inevitable a great

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improvement in the situation of both the railway companies and the railway supply companies. The conditions referred to are not "psychological," but of the most substantial character. Among them are the following: 1.—The government crop report for June, which the most favorable that has been the decision rendered by the Supreme Court of the United States on June 8 in the Shreveport case. In this decision the court held that where state rates are fixed by any state authority as to work a discrimination against interstate commerce, the Interstate Commerce Commission may remove the discrimination even by increasing the state rates. The prospect of a large increase in railway traffic, of an improvement in the rate situation, and of the harmonizing of state and interstate regulation under the control of the Interstate Commerce Commission, can hardly fail to have an early and beneficial effect on the railway and railway supply business.