

DULL DAY AT HEARING OF VALLEY RAILWAY CHARGES

(Continued from page 5)
 Witness read the voucher, which bore a memo "organization expenses."
 Q.—The whole thing was charged to general expenses in the suspense account?
 A.—Yes.
 Q.—How was it distributed?
 A.—Charged to bills payable.
 Q.—Does it go in with the expenses of the road?
 A.—Yes. This was done earlier.
 Q.—Was it taken into account by Mr. Blanchette?
 A.—I think so.
 Q.—Do you know anything about the consideration for the amount?
 A.—No. It is marked "organization expenses."
 Q.—Was the remaining \$12,000 charged to the same thing?
 A.—I don't know.
 Voucher 2,153 was produced. It was payable to Weldon & McLean and others for work in connection with preparing the charter of the "St. John Valley Railway Co." and amounted to \$235.00, which had been paid by Mr. H. E. Macdonnell.
 Q.—Then the payment was made by Mr. Macdonnell for the charter of the "St. John Valley Railway Co."
 A.—Yes.
 Q.—Was it for the St. John & Quebec Railway Co. or the St. John Valley Railway Co?
 A.—I do not know.
 Voucher No. 1,740, payable to the American Surety Co. of New York, dated July 21st, for premium on bonds \$1,000 was produced.
 Q.—Have you a ledger account showing the amount of money paid?
 A.—No.
 Witness explained that it was the premium on the bond given by the St. John & Quebec Railway Co. to the lieutenant-governor that they would finish the road.
 Q.—That is the premium on the bond?
 A.—Yes.
 A voucher for a payment to the

American Surety Co. of \$1,000 as premium on bond was produced. Witness stated that it was the premium to Dec. 1913.
 Voucher No. 1,741 was read. It was for \$600 to the National Surety Co. for interest and premium on bond.
 Q.—Have you an account with William Goodman?
 A.—No.
 Q.—Who is he?
 A.—Treasurer of the St. John and Quebec Railway Co.
 Q.—How much money has your company received from him?
 Witness referred to the ledger account of the St. John and Quebec Railway Co. He said: "All moneys received by our company are credited to this account."
 Q.—But how much did you get from Mr. Goodman?
 A.—I'd have to figure that up.
 Q.—Where did it come from?
 A.—Cheques from Mr. Goodman and from Mr. Gould.
 Q.—Can you separate them?
 A.—I could after about half an hour's work.
 Witness read:
 Jan. 15, 1912, \$ 1,000.00
 Feb. 17, 4,000.00
 March 14, 6,500.00
 April 1, 8,000.00
 May 1, 18,500.00
 June 1, 15,000.00
 July 15, 16,000.00
 July 25, 30,000.00
 August 15, 60,000.00
 Sept. 15, 100,000.00
 October 15, 10,000.00
 October 21, 915.36
 Q.—Are these all in cash?
 A.—Mostly cheques.
 Witness continued:
 October 15, 42,684.14
 October 16, 6,400.00
 Q.—In your ledger, opposite the \$42,000, the word "funds" is written

THE AMERICA III AND HER PILOTS.



The America III is one of the nine balloons in the national elimination race at St. Louis. One balloon, the San Francisco 1914, is equipped with wireless to receive weather forecasts sent out from Washington each night. It is the first time it has been attempted and is expected to give a pilot a great advantage, as he will be able to find best air current by knowing the direction of the wind, &c. The race is for the purpose of selecting three balloons to represent the United States in the international contest which will be held in October. The America III is the official representative of the New York Aero Club. Her pilots are Dr. Jerome Kingsbury and Clarence P. Wynne. Both are experienced men in aerial navigation and were selected by the governors of the club from a long list of members who volunteered.

In pencil, and below the word "reversed." Explain it.
 A.—The reversed entry was one of the deductions made by the National Surety Company to take care of the interest on the bonds. It was charged to interest, but Mr. Blanchette wouldn't allow it, and it was taken out of the books.
 Q.—Then this shouldn't be in the receipts?
 A.—No. I'm not sure we received the \$42,684.14 payment.
 Mr. Guthrie—Instead of this company paying the Construction Company for interest charges, it is paid direct and put through the books.
 Q.—How about the \$42,684.14. Was it actually received?
 A.—Voucher No. 713 was produced and was dated October 13, 1914, to the Prudential Trust Company.
 Q.—No part of this money came to the company.
 A.—This is the cost of the survey made by the province.
 Q.—No part of this money came through this office?
 A.—No.
 Witness was instructed to make up a statement of the money received by the company to submit after lunch.
 The hearing was then adjourned till half-past two.

AFTERNOON SESSION.
 When the afternoon session opened, Mr. Hobson submitted a table of money received from New York and other sources for the project. It showed as follows:
 Cash received from New York, \$2,478,161.83.
 Vouchers from New York, \$118,440.93.
 Advanced by A. R. Gould and later returned to him, \$4,990.63.
 Witness said no money which the Construction Company had advanced to the Railway Company was returned. Asked as to payments to the Railway Company from the Construction Company he showed a list as follows:

October 16, 1912, \$42,684.14; October 16, 1912, \$6,400; December 15, 1912, \$15,000; April 25, 1913, \$400.56; June 30, 1913, \$1,036.12; August 31, 1913, \$325; August 1, 1913, \$12,968.61; August 1, 1913, \$2,224.57; August 1, 1913, \$1,235; January 31, 1914, \$45,535; January 2, 1914, \$1,869; March 1, 1914, \$79.93. There had been no payments since March 1st.
 A voucher was produced showing a payment of \$6,400 to William Goodman on Oct. 15, 1912. This was for use in connection with the bond of the National Surety Company. It was not paid by the witness, but he presumed the treasurer had sent it from New York. The voucher was sent from the New York office. The company had the receipt of the treasurer of the railway company that the money had been paid to him and he thought this was all that was necessary. He did not know aside from that receipt what had been done with the money. The National Surety Company had an agreement with the railway company whereby they deducted 4 per cent. from the progress estimate of each month as a guarantee against the bonds when the interest became due.
 Mr. Carvell argued that the company was paying for protection and also providing money themselves to meet the claims. It was like paying a life insurance premium and then providing money to meet the death claim.
 Mr. Guthrie contended Mr. Carvell did not understand the transaction. Witness said the sum in question, \$6,400, was later used to pay interest. The order-in-council relating to the release of the National Surety Company from \$45,000 of the interest on the bonds between Gagetown and Centreville was then taken up. The total amount was \$60,000. Witness presumed that the money was paid out.
 Mr. Carvell—Then the government released the National Surety Company of \$45,000 of the guarantee, leaving the company only liable for \$60,000 less \$45,000.
 Witness said there must have been some money paid out. Mr. Thompson told witness to charge the \$45,000 up to the cost of the road. Witness thought Mr. Carvell would find it was all right.
 Mr. McKeown—"I don't understand."
 Witness explained the interest was paid in November and charged in December work.
 Mr. McKeown thought this must be some mistake on the books.
 Mr. Guthrie—"The order in council simply told the Prudential Trust Company to release that much money."
 Commissioner McKeown—"Was the interest due and paid?"
 Witness—"Yes."
 Mr. Carvell—"Let us start at the beginning."
 Com. McKeown—"Beginning at what? This looks as if the \$45,000 was to supplement the Prudential Trust Co's \$40,000 with which to pay the interest."
 Witness couldn't be sure.
 Commissioner McKeown—"Carvell what is your point in bringing all this out. I fail to see it."
 Mr. Carvell—"Well, I'm not after points, I'm after facts."
LAWYERS CLASH
 Mr. Carvell then went on to explain when Mr. Teed interrupted with "Now don't say that amount was charged to cost, it is interest."
 Mr. Carvell (hotly)—Well, witness said it was. Did your dinner agree with you?
 Witness explained the voucher was charged to interest.
 To Commissioner Fisher he said he presumed New York paid it and he gave them credit for it.
 The amount was in the total of \$2,478,000 previously mentioned.
 Mr. Carvell here said that it looked as if the security company had to put up \$40,000.
 Mr. Teed—"The voucher says the amount was deposited and that does not look as if they put it up."
 It was entered on the register as being paid the Prudential Trust Company.
 Mr. Carvell—"I hope you don't think I'm impertinent your honor, but I think we ought to have the account between the company and the Prudential Trust Co. as to the distribution of the interest."

She Bought a Piano on a Train

ON being asked her reason for selecting a certain "make" of piano, a woman explained that while she did not get her piano till December, she really "bought" it on a train in July. "It was like this," said she—"I had not thought much about pianos until I was about to be married and furnish a house of my own. Last summer, soon after I became engaged, I had to make a train journey. The daily paper I bought contained a striking advertisement of the Blank Piano. It ended by saying 'Investigate thoroughly before deciding.' I did investigate and became convinced that the Blank piano was the best piano I could get for \$500.00. This woman was right in stating that although she did not actually own her piano until Winter-time, she really 'bought' it in July. She bought it on a train—she selected it that day she read the advertisement which so forcibly impressed her. And yet some firms imagine they can afford to withdraw their advertising in the summer months! Pianos are not the only things people think about long before they have them sent home. Every important purchase is considered long before the article is ordered. And we are just as likely to be convinced by an advertisement we read in the summer as at any time.

You can obtain helpful advice on advertising free of cost and without obligation by consulting the Business Department of The Standard.

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Mr. Teed objected and witness said the \$45,000 distributed in the register as follows: District B, \$12,375; district C, \$23,250; district D, \$9,375. "I'm satisfied this far," said Mr. Teed, "that it was straight business."
 Mr. Guthrie and Mr. Carter at this point both invited Mr. Carvell to continue his explanation. Carvell did not answer.
 The total expenditure up to December 31st, 1913 was \$2,704,221 and the interest was \$71,000.
 The remainder of the afternoon was taken up with the examination of the same witness.
ADVANCE IN CEDAR RAPID BONNS
(McDOUGALL & COWANS.)
 New York, July 23.—Cedars Rapids bonds yesterday continued their upward climb and sold at the high price enjoyed a substantial advance.