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A Big Scandal.

What looks like a big steel of public money, in connection with railway building crops out in the report of the commission, appointed by the Hazen Government in New Brunswick, to enquire into the doings of the New Brunswick Central Railway company and the New Brunswick Coal and Railway company. These companies, under various names, and with many vicissitudes have been in operation for some years. Over \$800,000 in subsidies had been paid to these companies by the Provincial Government, and about \$190,000 by the Dominion Government. No satisfactory account could be got from the interested parties during the existence of the Liberal Government in New Brunswick, and it had long been suspected that much of the money had been misappropriated. Mr. Pugsley, now Minister of Public Works, was for many years the principal director of the financial operations of these companies. He was a part of the time Attorney-General of the Province and latterly Premier. The Provincial Secretary, for the greater part of this time was Premier Tweedy, now Lieut. Governor of New Brunswick. It had been hinted that both these had profited unduly by their connection with these works. Premier Hazen after assuming the reins of office, appointed a commission to investigate the whole business. The commissioners were: Judge Landry, of the Supreme Court of New Brunswick, Fulton McDougall, Manager of the Bank of Montreal, at Moncton and Mr. N. I. Teed of St. Stephen. After examining all available data and summing many witnesses, the commissioners presented their report which was recently submitted to the New Brunswick Legislature. The report certainly seems most damaging to Pugsley, Tweedy and George McAvity. It holds these men accountable to the Province for the misappropriation of \$134,000 of the moneys passing through their hands in this connection. The exhaustive report of the commissioners covers about eight pages of an ordinary newspaper, and concludes as follows: To briefly sum up this whole matter:— We have waded through a chaos of disconnected accounts, and have carefully weighed all the evidence submitted, as well as studying all the documents, Orders-in-Council, etc. Having thus patiently labored to ascertain, if possible, the true facts of the case, we find a number of leading features governing the operations to which we call special attention. First—It is clear that the enterprise was chiefly promoted by two members of the Government, the controlling influence of one of whom was clearly evident from the beginning to the end. It is true a Company was organized without any capital, which existed in name only, whose shareholders never attempted to influence its policy. Having everything to gain and nothing to lose they left the control to the ex officio directors, as the Government was putting up all the money. The Company never performed the functions usually exercised by an incorporated Company—

it was in fact nothing but a disorganized department of the Government of this Province, whatever may be claimed for it in theory. The policy of granting Government assistance to any Company, whose shareholders have not on their own account a dollar at stake, is unsound if not vicious. Second—On the face of it the motive of the promoters as stated was to develop the coal mines of Queens County. Responsible and respectable men from various parts of the Province were obtained to lend their names as Directors; and from the fact that \$430,000 authorized capital was to be distributed as Founders' shares, we conclude that the interested parties had visions of ultimate large profits, with absolute certainty of no personal loss. Third—As shown in the earlier pages of this report, the coal mines failed to materialize. It was found inexpedient to even attempt to develop the mines in a large way. Thus at an early stage original visions of profit-making must have departed, and a decision called for as to the abandoning of the expenditure of the \$250,000 intended for the coal development. However, it would seem that the prospect of spending large sums of money under cover of the Company was too alluring to be resisted, accordingly a stage name was adopted, and the New Brunswick Coal & Railway Company's existence was continued. How much better it would have been for the Province had these moneys been expended directly by the Government, and a yearly account of the expenditures published in the public accounts. Fourth—It is also clear to your Commissioners that it was never the intention of those controlling the Company to keep books of accounts for public information. For there was never any complete working organization of the Company, or special offices secured whereby method and system could have been pursued. The misuse made of the moneys, the fact that the advances far out ran, particularly in the earlier stages, legitimate expenditure, made it imperative that to conceal the truth no uniform system of book-keeping be adopted. It is claimed the Barnes Construction Company kept books, which could not be produced, but we are by no means satisfied that they were not destroyed, or that they were not intentionally concealed. From the evidence before us and from a careful study of the bank accounts and other matters by which we could trace the disbursements of moneys, we have no hesitation in stating that, especially during 1902, the moneys used up and liabilities incurred far outstripped any legitimate expenditure that was being made. The difference we believe to have been misappropriated, otherwise sufficient money would have been on hand to have paid current bills, leaving the Government in this respect a clear sheet when taking over the road in 1905. Fifth—In ordinary course of business the Company's interests and those of the Province, from whom it received all its resources, would have been in a business sense antagonistic. Therefore we believe good business demanded that the Provincial Secretary and the Attorney-General remain outside the Company. Then as members of the Government they would have been in a position to have seen to it that stipulations safeguarding the Provincial treasury were lived up to; as it worked out, by their position in the Company as members of the Govern-

ment, their influence was paramount, representing as they thus did all the capital invested. By their presence in the House of Assembly, on the other hand, they were able from their knowledge and control of the Company's affairs to present such statements as were necessary to allay the suspicions of the Legislature, and conceal from the country the true state of affairs. Finally—We believe the Directors of the Company, and especially the ex officio directors, are responsible to the Province for an accounting. They should be called upon to submit an account showing the expenditure of \$958,799.75 or at least that portion of it supplied by the Province. What steps should be taken to enforce this finding we hardly feel called upon to determine. We find, putting the most charitable construction on the entire transaction, that \$134,035.35 stated in our recapitulation, following Statement "C" given as unaccounted for, was misappropriated, and diverted from its proper and legitimate channel. Considering that the doors were never locked—that nearly a million dollars were tossed about without any special guardianship, or any reasonable prospect of any one being called upon to account, that temptation in its most seductive form was continually in the path of the politicians interested, it is not very difficult to understand how an amount even larger than \$134,035.35 might well have been switched from its legitimate course. The \$39,000 underpaid Evans and Elkins on their option, we have not the slightest doubt forms part of the total shortage. As to who personally got this money we are unable to state. The want of records as shown by illustrations given in a former part of this report, the fact that the Secretary, Mr. George W. Allen, and a director, or solicitor, Mr. A. I. Trueman, had died before the investigation began, greatly enhanced the difficulties of discovering anything definite on the above point. Then too many of the leading actors in this drama did not in their evidence disclose with any certainty their relations with transactions with which their names appear in written documents. A notable case was that of Mr. C. N. Skinner, whose memory appeared almost a blank as to his acts and the reasons therefor. Even the amount of the remuneration he had received had passed from his mind. We cannot but believe that had Mr. Skinner felt more personal responsibility in the duties he performed and better appreciated the ones in which we were engaged his memory would be much improved. Leading witnesses, with almost unflinching monotony, referred us to the two deceased officers of the Company, Mr. George W. Allen and Mr. A. I. Trueman, when any critical point as to the disposal of moneys was in question. We have become painfully convinced after examining the evidence and the documents submitted to us that in the expenditure of the public funds, provided for this enterprise, every person charged with a public duty in connection with the same, has been culpably negligent in the discharge of such duty. The degree of culpability attached to each individual has, perhaps, not been the same. Some were guilty of negligence in accepting positions of trust and in not acquainting themselves with what is transpiring in regard to same, but allowing others, unquestioned, to undertake the sole discharge of duties, the responsibility of which they themselves had assumed. They lent their names and allowed the moral influence of their high standing in the community to assure the Province that legitimate business methods would be followed. The Provincial Secretary and the Attorney-General, ex-officio directors, who were specially appointed by the Legislature to watch the Company's doings in the interest of the Province, we consider, by their conduct, open to the gravest censure. It is by the Provincial Secretary was not satisfied with matters as they were going, for more than once we

find, by letter or otherwise, he registered objections; but it would seem he had assisted to call into play forces he could not control, if he wished to do so, and the bonds were in due course guaranteed and the moneys spent under the conditions stated in this report. Accompanying this report we beg to hand you the evidence as taken and transcribed by a reporter, and all the documents in our possession in relation to the case. All of which is respectfully submitted. Dated 29th day of March, 1909. P. A. LANDRY, F. MACDOUGALL, A. I. TEED, Commissioners. A return brought down to the Dominion House of Commons, the other day, shows what an expensive business for the country the borrowings of the Federal Government have been. For instance, in October last the Government was under the necessity of borrowing five million pounds sterling in London. The cost of putting through this transaction was:—£12,500 for commissions to financial agents; £50,000 commission to underwriters; £12,500 commission for arranging underwriting; £11,500 for brokerage; £889 for advertising, printing, freight, etc.; £32,543 for "other charges," making a total of £600,000 for negotiating this loan. The tax payers of Canada have had to pay upwards of \$600,000 as commission on one of Fielding's loans. But there are others, as the information, given in the House the other day will show. Mr. Perely had asked about the loans coming due, and Mr. Fielding, Finance Minister, informed him that up to the end of 1913, the following will fall due: May 1st, 1911, £1,763,678; October 1st, 1910, £1,360,000; October 1st, 1913, £1,700,000; January 1st, 1910, £443,136; October 1st, 1912, £1,380,900; May 1st, 1912, £3,000,000. This is a total of nearly £18,000,000, or \$90,000,000. In addition there is a loan of £4,000,000 or \$20,000,000, which the Government has the option of paying in 1910, but which does not become due till 1935.

The Making of Canada.

SENATOR McDONALD WRITES SOME INTERESTING FACTS ABOUT CONFEDERATION. To the Editor of The Montreal Gazette: Sir—My attention has been called to certain statements in a volume of essays on public questions recently published, to the effect that the framers of the constitution of this country sought to create a distinction between the Queen and Her Majesty's Government, and that while they desired to continue their allegiance to the Sovereign of Great Britain and Ireland, as distinct from her ministers, they looked forward to Canada becoming independent of any form of imperial control, and of attaining a footing of political equality with the United Kingdom itself. As one of the two surviving "Fathers of Confederation"—the only one at present in the Dominion—I think it my duty to say that this statement is based on an entire misconception of what actually took place at the conference held in Charlottetown and Quebec in the months of September and October, 1864, of both of which assemblies I was a member, actually present and taking part throughout. I can state this not only from my recollection, but I have notes taken by me both at Charlottetown and Quebec which confirm my statement. The Charlottetown conference met to discuss legislative union of the Maritime Province only, but that was found impracticable. While the conference was in session, the Canadian ministers arrived, and when the special business of the Maritime delegates was concluded, an invitation was extended to them to meet us in the conference room informally, as we were not authorized to discuss our legislative difficulties with them. Several sessions were held, at which they explained their own political troubles, and broached the subject of a larger union of all the provinces under the Crown of Great Britain. All expressed their firm belief that if such a union could be brought about it would strengthen our connection with the United Kingdom. Such an idea as forming a "nation" or a "State," separate from the Imperial Government was never entertained, so far as I know, by anyone—there was no idea of any organic change in our relations with the Mother Country, nor of any separation from the United Kingdom. When members spoke of the "Queen," the "Crown," or the "Sov-

erign," they meant the head of the Government of the United Kingdom, from which they never contemplated being separated. It was not until the Quebec conference that the term "Dominion" was introduced in preference to non-federated provinces, nationality or state, or other names suggested as appropriate—and when used did not mean a country separate from Great Britain—but these words were used in a restricted sense as applied to a dependency of the United Kingdom. One or two brief references to the published reports of the proceedings will make this abundantly clear. For example, the resolution moved at Quebec by Sir (or, as he was then, simply the Hon.) John A. Macdonald designating the powers of the General Legislature, contained the words "saving the sovereignty of England." "That it shall be competent for the General Legislature to make laws for the peace, welfare and good government of the Federated Provinces (saving the sovereignty of England)," etc.—"The Confederation Documents," p. 22. The Hon. George Brown declared that if the movement for Colonial Union would endanger the connection with the Mother Country that had so long happily existed, and it would have his firm opposition, adding "Our relation to the Mother Country therefore does not enter into the question."—Whelan, pp. 30-31. My distinguished colleague, Sir Charles (or, as he then was, Doctor) Tupper is on record as saying that: "A Union of the North American Provinces would elevate their position, consolidate their influence and advance their interests, and at the same time continue their fealty to the Mother Country and their Queen, which fealty is the glory of us all."—Whelan, pp. 10-11. Sir George Cartier was equally explicit after alluding to the new Confederation as a nation, he hastens to add: "I don't mean a nation distinct from the Mother Country"—Whelan, p. 119. When Sir John A. Macdonald explained the meaning of union to the Canadian Parliament in the first session after the Quebec conference, he defined with great clearness and precision the future relation of the Confederation towards the Mother Country: "The colonies are now in a transition state. Gradually a different colonial system is being developed, and it will become, year by year, less a case of dependence on our part, and of over-riding protection on the part of the Mother Country, and more a case of healthy and cordial alliance. Instead of looking upon us as a merely dependent colony, England will have in us a friendly nation—a subordinate, but still a powerful people—to stand by her in North America in peace or in war. The people of Australia will be such another subordinate nation. And England will have this advantage, if her colonies progress under the colonial system, as I believe they will, that though at war with all the rest of the world, she will be able to look to the subordinate nations in alliance with her, and owing allegiance to the same sovereign, who will assist in enabling her again to meet the whole world in arms, as she has done before."—Debates on Confederation, 1865, p. 44. Ten years later we find him saying in the House of Commons: "Those who dislike the colonial connection spoke of it as a chain, but it is a golden chain, and I, for one, am glad to see the fetters broken."—Debates in House of Commons, 1875, p. 93. In a state paper drawn up by him in 1879 he distinctly affirmed in so many words that: "Her Majesty's Government is unquestionably the supreme governing power of the Empire."—See, Pap. 1880, No. 106, p. 5. Finally, in the last speech delivered by Sir John A. Macdonald in England he is reported to have said: "Speaking for the Dominion of Canada, I may say that we are ready to increase the responsibility. We are ready to join the Mother Country in her offensive and defensive league; to sacrifice our last man and last shilling in defence of the Empire and the flag of England."—London Press, 5th January 1888. Such were the sentiments towards Great Britain which inspired the men who drew up the Constitution of Canada and the sentiments which I am glad to believe have animated in equal degree their successors in the Government of the Dominion, without distinction of party, to the present day. A. A. MACDONALD. The Senate, Ottawa, 20th March, 1909. \*Note.—The Kingdom of Canada, Imperial Federation, the Colonial Commonwealth, the Alaska Boundary, and other essays, by John S. Edwards, K. C. Toronto: Morang & Company, Limited, 1908.

DIED

At the residence of his brother, Ronald McDonald, Springfield, on April 4th, Miss Isabella McDonald, at the age of 75 years. The deceased enjoyed good health until three weeks previous to her death, when a disease of the throat set in, which proved incurable. She bore her painful illness patiently, feeling quite resigned to the will of Providence. This patience and resignation was throughout her long life a leading trait of her character. Her humility, her magnanimity and her great charity towards all were always a source of edification to her many friends. The funeral cortege to St. James's Church, Free-town, where a Requiem Mass was sung by her pastor, Very Rev. Mgr. D. J. O'Neil, gave evidence of the high esteem in which she was held by the people. The pallbearers were her nephews, Joseph, Lewis, Austin, Augustine, John and Alfred McDonald. Three sisters, Mrs. Lamb, Minneapolis, Mrs. O'Neil, Sydney and Mrs. Cash Merrill, Wis., also two brothers, John, Merrill and Ronald, Springfield, survive her. R. I. P.—Com. At Campbell's Cove, on the 12th inst., after a brief illness of pneumonia, Mary Campbell, daughter of the late Angus Campbell, aged 85 years. May her soul rest in peace. Beware of Worms. Don't let worms gnaw at the vitals of your children. Give them Dr. Lox's Pleasant Worm Syrup and they'll soon be rid of these parasites. Price 50c.

LOCAL and OTHER ITEMS.

Algernon Charles Swinburn, the English poet and essayist, died Saturday morning last. The Stanley arrived at Charlottetown about 10.30 yesterday. This was her second trip this spring. Although there is still ice in the Straits, we shall henceforth probably have regular communication with the outer world. A woman 60 years of age was crushed to death beneath the street car wheels, while crossing the track on Notre Dame Street, Montreal, on Monday. This was the third victim of the kind in four days. William and Noel Nicholas, Passamaquoddy Indians, were drowned by the capsizing of their canoe in a squall, while crossing from Pleasant Point to St. Stephen, Maine, a distance of four miles, on Saturday last. The ice coming down the St. Lawrence jammed at Bonaventure Island, not far from Montreal. In half an hour the water rose 8 feet, covering the new high level of the wharves. About fifty families at Longueuil, on the opposite side of the river, were flooded out. All who have had any business with the Probate Court will regret to learn of the death of the gentlemanly and courteous Registrar, Mr. John J. G. Weldon, which occurred quite suddenly on Monday evening last. Deceased was 65 years of age; had been Registrar of the Probate Court for 26 years, and was most painstaking, accommodating and polite in the discharge of his duties. The Niagara River went on a rampage on Friday. The break up of the great fields in Lake Erie sent millions of tons of ice over the falls. The water in the lower river rose twenty-five feet, submerging the Gorge electric road under 15 feet of water and sweeping poles and wires, and much of the railroad away. Everything movable in the lower river was carried away. The flood is the greatest in sixty years. The first week in April will probably be a long standing one in the annals of the weather bureau as a record breaker. The Bostonians enjoyed all the comforts of June. Young America swarmed over the green grass in the Parks and vacant lots. All classes of citizens rode to the country on open cars and so insistent were the crowds in the public garden that the Park Department ordered the swan boats to be placed on the pond. The temperature climbed from 60 at 8 a. m., to 68 maximum and broke all the records of the weather bureau for April 7, and with a few exceptions was the greatest ever recorded in the fourth month of any previous year. The death took place on Thursday last at Kensington, of the Hon. G. W. Bentley, aged 66 years. Several years ago Mr. Bentley suffered a partial stroke of paralysis, since which time he had not been in good health. The late Mr. Bentley was a staunch Conservative in politics and for a number of years represented the Fourth District of Prince in the local House of Assembly, and for a while time he was Commissioner of Public Works. After the retirement of Hon. Neil McLeod to become Judge for Prince County, Mr. Bentley was chosen leader of the Conservative Opposition and continued in that position till ill health compelled his retirement from public life. He leaves to mourn beside a sorrowing widow, who is a daughter of the late Wm. Dennis, Margate, two daughters, Mrs. Peterson Walker, Kensington, and Miss Mamie, also four sons, J. Augustus, Whitney and Chas. at home, and W. R. of McLeod and Bentley, Charlottetown. A storm which developed Thursday afternoon caused an immense amount of damage throughout Ontario and the West. A furious blizzard prevailed destroying the lines of communication blowing down buildings and resulting in serious injury to many persons. At London, a chimney on the Abscon School crashed through the building, burying three hundred children under the debris. The Fire Department was called on and although the wild panic prevailed, all the children were rescued only five being injured—two of these may die. Every city in Western Ontario reports buildings blown down or unroofed, while falling chimneys made walking very dangerous. In Toronto an aged woman was lifted bodily by the wind and hurled against a wagon, being badly injured. A plank blown from a roof of a house seriously hurt a pedestrian. At Guelph, the front was blown out of St. Patrick's School, and many persons narrowly escaped injury. In Buffalo, one man was killed and scores hurt by the falling debris, while the property damage is immense. Considering the very disagreeable weather, the Easter market on Saturday was well attended, a large number of people had come to the city by train, and business was fairly brisk. Apart from an abundance of choice meats, the market display was not very large. There certainly was a fine display of excellent meat. Saunders and Newcom had a splendid exhibition of meat of the highest quality. They showed six carcasses of choice beef, weighing in aggregate 5,350 lbs. dressed. Displayed in quarters, these beams had a grand showing. They also had on sale the carcasses of a spring lamb, tender and toothsome, without doubt. Besides mutton, hams, bacon and sausages their neat and clean stall, hung around with these choice meats presented a most attractive appearance. They do a grand business. Blake Bros., as usual, had a fine display of beef and other meats. Stephen and E. Brown had their stalls well stocked with choice beef, mutton, etc., and did a rattling business. All the butcher stalls had fine stocks and did good business. Milburn's Sterling Headache Powders give women prompt relief from monthly pains and leave no bad after effects whatever. Be sure you get Milburn's. Price 20 and 25 cents.

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