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VOL. XXXIV.—No. 12,146

N. T. R. Commissioners Charge That Forty Million Dollars Was Wasted on Railway

Quebec Graft Charges Fully Proven ❧ Another Fire in Earlscourt ❧ Farmers' Bank Depositors Protected ❧ Mexican Rebels Blow Up Train

THREE EX-LEGISLATORS GUILTY OF ACCEPTING BRIBES OFFERED FULL PROOF OF CHARGES GIVEN

Legislative Committees at Quebec Satisfied That Mousseau, Bergevin and Berard Yielded to Corrupting Influence — Others Whose Names Were Casually Mentioned Were Vindicated.

(Special to The Toronto World)

QUEBEC, Feb. 12.—The committees of both the legislative assembly and the legislative council, in their reports, tabled in their respective houses tonight, find that the accusations of bribery made by The Montreal Daily Mail, on Jan. 21 last, against J. Octave Mousseau, former member of the assembly, and Achille Bergevin and L. P. Berard, former members of the legislative council, have been fully proved.

The evidence says the report of the lower house proves that Mr. Mousseau received from the American detectives, Biddinger and Maloney, the sum of $4150, in connection with the bill to incorporate the Montreal Fair Association of Canada. "The accusation made against Hon. Achille Bergevin and Hon. Louis Phillippe Berard have been justified by the evidence," says the report of the special investigating committee of the legislative council.

No Charge, No Proof.

Both reports refrained from comment generally. The report of the committee of the lower house, a much lengthier document than that presented to the upper house, however, states that they failed to find that the bill in question, as passed by the legislature, contained "provisions which are extraordinary or prejudicial to the public interest. As regards the three officials of the government, whose names came out during the course of the enquiry, the committee of the lower house states that no "proof whatever has been made against them." These three officials were not accused by The Daily Mail in any way.

Labelle Was "Wise."

In regard to Mr. Labelle, the lawyer in charge of the bill for its promoters (the Burns' detectives), the lower house committee stated that "Mr. Labelle was aware that Mr. Mousseau received one or more sums of money in connection with the bill, with a view to bribery."

The report of the lower house committee was not unanimous. One clause of it stated that Armand lavergne, one of the members of the committee, wished to compel Mr. Beck to disclose "the names of any advocates who may have told him that they in their safes held receipts from certain members of the legislature showing payment sto them for services rendered in promoting the passage of bills, and

(Continued on Page 7, Column 1.)

PANAMA CANAL IS NOT CAUSING C. P. R. ANXIETY

Shaughnessy Declares Tolls Question Has No Interest for Railway.

MONTREAL, Feb. 12.—"On the contrary, the C.P.R. has never, directly or indirectly, protested to the British Government or any other government against Panama Canal tolls, and the company does not care a rap what conclusion is finally reached."

This statement was made by Sir Thomas Shaughnessy today after seeing a Washington despatch, which credited Senator O'Gorman of New York with the declaration that the C.P.R. was inspiring the demand of the British Government for the repeal of the toll exemption provision in favor of American vessel owners.

GARRISON OF TAMPICO LACKS WATER SUPPLY

Rebels Also Cut Off Light to Compel Federals to Fight.

SAN ANTONIO, Tex., Feb. 12.—Mexican rebels have cut off the water supply of the City of Tampico and have stopped the light of the Altamira lighthouse in order to compel the federals to come out of Tampico and engage them in battle, according to a despatch received today by The Light from Col. Alberto Fuentes, chief of staff for Gen. Pablo Gonzales, the rebel commander.

Col. Fuentes says Gen. Villareal has taken possession of the government of the State of Tamaulipas, and was acclaimed by the people. The message came from Aldmas, 50 miles northwest of Tampico.

BILLY MOORE JUST SMILED AS USUAL

C. N. R. Official is Noncommittal Regarding Financial Assistance to Railway.

(Special to The Toronto World)

OTTAWA, Feb. 12.—William Moore of the Canadian Northern was here today, but was smilingly non-committal respecting the report that some financial assistance might be extended by parliament this session to the Canadian Northern Railway. While many believe that there will be some Canadian Northern legislation, and credit the rumors that are rife on the subject, it must be admitted that these rumors are not confirmed either by the government or by the company. There is sufficient opposition among supporters of the government to any large railway subsidy to warrant the belief that no such legislation will be introduced unless the party leaders on both sides are in substantial agreement.

THE TEMPTATION OF ST. BECK

DIRECT CHARGES OF CONSPIRACY ARE LACKING

N. T. R. Report Shows How Contractors Preyed Upon Incompetence of Commissioners, But Recovery of Money or Prosecutions Unlikely — More Revelations:

(Special to The Toronto World)

OTTAWA, Feb. 12.—The report of Messrs. Gutelius and Lynch-Staunton upon the construction of the National Transcontinental Railway between Winnipeg and Moncton, officially confirms a condition of affairs which has long been suspected by the house, but is devoid of those direct charges of conspiracy and corruption which might have been anticipated. That four men, utterly unacquainted with engineering on railway construction suddenly charged with the duty of building a great railway thru the wilderness, should have spent many millions of dollars more than would have been expended by a thoroly trained and experienced railway builder and engineer, is not to be wondered at. Leaving aside the question of interest, the road will cost one hundred and sixty-one million dollars, and the investigators believe that as good a road could have been constructed for one hundred and twenty-one million dollars.

Who Got the Loot?

After making every allowance for inexperience and stupidity it might safely be surmised that a number of people have made a big lot of money out of the transaction.

Indeed, the investigators say that the contractors were paid entirely too much, and one might suspect that the members of the N. T. R. commission, the chief engineer and his assistants, members of the government and middlemen of every description shared in the loot. Such surmises and suspicions have been rife for a long time: the report of the investigators will strengthen suspicion and make sur-

(Continued on Page 3, Column 5.)

BANK VICTIMS TO GET RELIEF

Perley Gives Assurance That Pledge to Farmers' Bank Depositors Will Be Kept.

OTTAWA, Feb. 12.—(Special.)—In the house today, A. K. Maclean of Halifax asked Hon. George H. Perley, who was putting thru some estimates for the finance department, whether it was the intention of the government to bring in a bill for the relief of the depositors of the Farmers' Bank.

Mr. Perley said that any pledge given by the prime minister would be implemented by the government. The matter was in charge of Mr. White, but he did not think that the bill had been drafted.

Mr. Lanctot (La Prairie, P.Q.), speaking in French, asked for similar consideration for the depositors of La Banque De St. Jean, and Mr. Sinclair (Guysboro) suggested some general legislation which would apply to all banks in which depositors had suffered loss.

This closed the discussion.

MRS. MADDEN IS DEAD HER MOTHER CRITICAL

Failed to Recover From Gas Poisoning and Thoro Inquiry is Ordered.

Mrs. Elizabeth Madden, who, with her mother and another woman, were found unconscious from the effects of gas fumes in their bedrooms at 25 Beaconsfield avenue on the morning of Feb. 10, died in the Western Hospital yesterday afternoon. Her mother, Mrs. Saunders, is still in a critical condition.

Mrs. Madden's body was conveyed to the morgue where an inquest will be held. According to the chief coroner, an investigation is to be made as to why no physician was summoned to attend the women until nearly four hours after they were found in their rooms.

FROST HOLDS UP FERRIES.

WINDSOR, Feb. 12.—Hundreds of Windsor people who crossed to Detroit went dinnerless today, unable to get home in time. The ice in the Detroit River forms so rapidly in the zero temperature weather that it is almost impossible to keep the ferries operating.

FORTY MILLIONS WASTED ON N.T.R. CONTRACTORS SECURED HUGE SUMS AS "RAKE-OFFS" ON WORK SUB-LET

TRAIL OF GRAFT AND BUNGLING RUNS THRU N. T. R. CONSTRUCTION

Late C. M. Hays' Strong Protest Ignored by Former Government—Many Millions Wasted to Help Party Cause in New Brunswick—Total Cost Staggering.

Former Commission, Wholly Ignorant of Railroad Operations, Easy Prey for Construction Companies—New Brunswick Section Already in Decay—Serious Charge Against Parent.

Among the findings of the National Transcontinental Railway investigators are:

At least forty million dollars was wasted, exclusive of unnecessary outlay east of the St. Lawrence River.

Economy was discouraged in the whole process of construction.

Hon. S. H. Parent, former chairman, accused of engineering pretended purchase of a lease to cover election expenses of a Liberal candidate in Quebec.

Transcona shops at Winnipeg, costing $4,500,000, double size needed.

New Brunswick section, prematurely constructed, for political purposes, is rotting away and trees growing on right of way. Section cost $34,000,000, and annual interest charges are $1,200,000.

Former N. T. R. commissioners were absolutely without railway training.

Former Finance Minister Fielding estimated actual cost of construction from Moncton to Winnipeg at $61,415,000; present expert estimate of cost, exclusive of interest, is $161,300,000.

The annual rental to be paid by the G.T.P., starting in 1922, will be $5,400,000, or $14,800 a day.

In principal and interest the road will cost Canada $234,651,521.

Competition of contractors was practically stifled, so that eleven firms, who sub-let contracts, netted $8,800,000 in profits.

Contracts were not always given to lowest tenderers.

Advance information was taken advantage of by contractors.

M. P. Davis and J. T. Davis of Ottawa got three-quarters of a million rake-off on two contracts they sublet.

Protests of the late C. M. Hays, regarding improvident contracts, ignored by Sir Wilfrid Laurier.

Contractors were overpaid $3,300,000 on improper classification.

"Assembled rock," non-existent, put $1,835,051 into contractors' pockets.

Clay, classified as loose rock, cost $750,000, and over-break $677,866.

Momentum grades would have saved $6,200,000 if adopted; sharper curves, $2,400,000; wooden trestles, $2,947,227, and train filling, after opening the road, $3,250,000.

OTTAWA, Feb. 12.—(Special.)—"We find that the Transcontinental Railway Commission, the Grand Trunk Railway and those having charge of the construction of the railway did not consider it desirable or necessary to practice or encourage economy in the construction of this road.

"We find that, without including the money which was unnecessarily expended in building the railway east of the St. Lawrence River, forty million dollars at least was needlessly expended in the building of the road."

This is the conclusion which F. P. Gutelius and J. Lynch-Staunton, the two commissioners appointed to investigate the transcontinental railway, have reached. Their report was placed on the table of the commons today. The commission was appointed on Jan. 29, 1912, and a personal inspection of all the work done prior to October, 1911, between Moncton and Winnipeg was made by the two commissioners. The evidence of engineers and officials who had charge of or were familiar with their particular parts of the line was taken on the ground or immediately after the inspection.

Amateur Railroaders.

Dealing with the inspection of the work, the commissioners state that the government made an agreement with the representatives of the proposed Grand Trunk Pacific Railway whereby the government was to construct a single line of railway from Moncton, N.B., to Winnipeg, to be known as the eastern division of the National Transcontinental Railway. After its construction there it was to be leased to the G.T.P., which was to operate and maintain it for a period of fifty years. They call attention to the fact that until the appointement of Major R. W. Leonard in the autumn of 1911 no member of the transcontinental railway commission had any experience or knowledge of railway building or operation. The standard of the railway was decided on without any knowledge as to whether it was suitable for the country and on assumptions as to business which were not warranted.

Cost is Staggering.

Hon. Mr. Fielding advised the house that the cost of such a railway from Quebec to Winnipeg, 1344 miles, would be $35,000 per mile, or $47,040,000, and from Moncton to Quebec, 460 miles, at $31,250 per mile, or $14,375,000, a total of $61,415,000.

Contracts were let for most of the road, and on Sept. 30, 1911, there had already been spent $109,000,000, and Gordon Grant, the chief engineer, estimated that the road would cost, exclusive of interest, $161,300,000.

If the road is completed at this cost by the end of 1914 the G.T.P. will commence to pay rent at the beginning of 1922 on this amount, with $18,700,000 added, making an annual rental of $5,400,000, or $14,800 a day. Assuming that the G.T.P. will commence to pay interest on the cost of construction in 1922, the road will have cost the country for principal and interest $234,651,521.

Contractors Waxed Rich.

The rules adopted by the commission resulted in only five contractors tendering for only 806 miles of railway. Eleven firms secured all the work and sub-let it to upwards of 100 sub-contractors, who, if ordinary government practice had been followed, would in all probability have competed in the bidding. As an indication of the handsome profits derived by these 11 firms, they were paid $8,800,000 in profits for that part of the work which they sub-let.

Then begins the exposure of the practices which resulted in much loss of the public money. In three sections of 413 miles, estimated to cost over $20,000,000, the contracts were not let to the lowest tenderer and in at least two or three cases, advance information as to estimated quantities was made use of by the successful tenderers.

Handsome Rake-off.

M. P. and J. T. Davis of Ottawa secured three-quarters of a million dollars rake-off on two contracts. They agreed to finish No. 16 by Dec. 31, 1910, and No. 17 by March 1911. Very high prices were agreed to be paid on ac-

(Continued on Page 3, Column 1.)

Immense Fur Coat Values.

The clearing prices marked on all Fur and Fur lined Coats at Dineen's —140 Yonge Street—will look amazingly good to prospective buyers while the weather remains around zero. Coon Coats are selling at from $60 to $145—Fur-lined Coats are marked as low as $30 and a splendid variety of Fur Gauntlets Fur Knee Rugs, Fur Caps and Motor Rugs await your inspection and promise big savings to buyers.

READY REPARTEE OF PELLETIER DISCOMFITED RIVAL LEMIEUX

Postmaster-General's Reply to a Question Concerning Ex-Minister's Trip to Orient Nettled Lemieux — "More Honest Than Gouin, Lemieux and Berard Combined," Answered Pelletier.

OTTAWA, Feb. 12.—(Special.)—A listless day passed by the house in committee of supply on routine estimates was enlivened by a brief passage at arms between Hon. Rodolphe Lemieux and Postmaster-General Pelletier.

As a counter play to enquiries from the opposition respecting the cost of recent ministerial travels, Conservative members have been enquiring about the various trips taken by members of the government when the Liberals were in power. One of these questions on the order paper today related to Mr. Lemieux's visit to Japan. In replying to interrogations as to the number of valets and stenographers accompanying Mr. Lemieux and the expenses of any ladies in the party, Mr. Pelletier said that the records of the department contained no information on the subject.

Steel on Steel.

Mr Lemieux protested that there were no ladies, valets or stenographers in his entourage, and submitted that the postmaster-general should have so stated. The gentleman who went with him as private secretary is now private secretary to the postmaster-general.

"Your answer," said Mr. Lemieux, "is not an honest one."

"It is more honest," Mr. Pelletier rejoined, "than Gouin, Lemieux and Berard combined."

The reference to Berard, who recently resigned from the legislative council of Quebec as a result of the detectograph disclosures, and who is a member of the law firm with which Sir Lomer Gouin and Mr. Lemieux are associated, provoked considerable applause and laughter from the government benches.

But Speaker Sproule called both gentlemen to order and this ended the colloquy.

SHARE PROFITS FROM TIMBER

Advanced Public Policy Decided Upon by Government of British Columbia.

VICTORIA, Feb. 12.—An entirely new plan in public policy is embodied in a bill presented today by Hon. Wm. R. Ross, minister of lands, in the British Columbia Legislature, providing for the adjustment of all timber royalties. It introduces the principle of profit-sharing by people in industries which utilize the natural resources.

The bill provides a comprehensive plan for fixing the price of timber cut on the limits leased by lumbermen. Under the British Columbia system, lumbermen may lease public timber land by paying a royalty per thousand feet on the timber as it is cut.

EARLSCOURT FIRE BURNED TWO BUILDINGS

Hardware Store and Cottage Adjoining Destroyed at a Loss of Seven Thousand Dollars — Hydrants Froze and Firemen Were Delayed Nearly Half an Hour.

Starting from an overheated furnace, fire did $7000 damage to Blackmore's frame hardware store and an adjoining cottage at the corner of Heatherley and Ennerdale road, Earlscourt, at 11.30 last evening. The hardware store and all its contents were totally destroyed, while the cottage of J. J. Frank, next door, was partly burned. Frank's furniture was saved by the neighbors. It was thought last evening that insurance would fully cover the damage to both buildings.

The Earlscourt fire brigade were first on the scene, and ran out 1300 feet of hose in an endeavor to get a water stream on the fire. The extreme cold had frozen up all the hydrants, and at first when water was obtained it froze solid in the hose. Finally a stream was forced thru, and after nearly three-quarters of an hour's delay a good stream was played on the buildings. The West Toronto and Ossington avenue reels arrived a short time after the local men, and their work went a long way in preventing the flames from spreading over the adjoining dwellings. Had the wind been in the other direction, however, it is doubtful whether the combined efforts of the three brigades could have prevented the flames from sweeping the whole district.

MEXICAN REBELS BLEW UP TRAIN

Escort Slain and Many Passengers Killed—Oil Supply Cut Off.

MEXICO CITY, Feb. 12.—The rebels today again cut off the oil supply from Tampico over the railroad into San Luis Potosi, this time emphasizing their work by the total destruction of a passenger train, wiping out the military escort and killing and wounding many passengers.

At Las Canoas, 25 miles south of Cardenas, dynamite mines were exploded beneath a passenger train from Tampico. A battle between the federal escort of fifty and the rebels ensued, in which all the federals were killed.

Most of the passengers, who were in the rear cars, fled to the brush and some of them succeeded in reaching nearby stations.

The train was destroyed by fire, after which the rebels tore up almost a mile of track. A military train has been despatched from Cardenas to the scene.

Mexican officials have so far made no effort at retaliation against American residents here since the lifting of the embargo on arms from the United States, but it is no secret that the close personal relations formerly existing between Charge O'Shaughnessy and President Huerta are somewhat strained.

FLOWERS WERE PLACED ON TOMB OF LINCOLN

Thruout Illinois Various Ceremonials Were Held in Memory of Martyr.

SPRINGFIELD, Ill., Feb. 12.—Fresh flowers were placed on the tomb of Abraham Lincoln as a tribute to his greatness and in commemoration of the day of his birth.

All over the state those who had known the martyred president told again their memories, and in schools, banquet halls and churches his wise words and greater deeds were called to mind.

ARRANGEMENTS FOR RETURN OF SHAFRON

BRANTFORD, Feb. 12.—Simon Shafron, the banker who held over $5000 of the hard-earned cash of local foreigners, and who skipped out, has been located in Chicago. The government, however, refuses to take any action to bring him back until $200 surety for costs is put up. J. Kenan, J.P., member of the firm of Berman & Kenan, steamship agents, Toronto, is in the city today endeavoring to make arrangements to proceed with the prosecution of Shafron.