

# SIR SAM HUGHES SUBJECTS COMPULSION BILL

## MR. TENNANT A PARTNER IN CONTRACTING COMPANY; NOT ONE DOLLAR OF HIS PROFITS WENT INTO ANY ALLEGED CAMPAIGN FUND OF THE LATE GOVERNMENT

Howard Lindsay, Vice-President of Nova Scotia Construction Company, Testifies Before Commissioner Stevens at Valley Railway Inquiry That He Never Made Any Payment to Campaign Fund of Late Government—Amount Given Mr. Tennant Was His Share of Profits According to Terms of Contract Prepared by Well Known Firm of Liberal Lawyers—Mr. Tennant on Stand Corroborates Mr. Lindsay's Testimony — Cozzolino Had Nothing to Do With Contract, Says Company's Vice-President—Money Paid to Mr. Tennant Was from Company's Own Bank Account and Not from Public Monies Which Went Into Construction of Railway—Mr. Tennant Still Has Money and Is Using it in His Business—Utter Failure of Every Effort to Connect Transaction With Raising of Campaign Fund.

Continued from page one.

When the session opened G. Howard Lindsay, vice-president and managing director of the Nova Scotia Construction Company of Sydney, took the stand. Asked by counsel of the government to tell what he knew of the Valley Railway contract and of W. B. Tennant's connection with the company, he told of the opening of negotiations.

"Some time before this contract was entered into," he said, "I had written a letter to W. B. Tennant, with whom I had been associated in other business matters, asking him if there was anything likely to come up in St. John or New Brunswick worth going after."

"That would be prior to getting this contract in December, 1918," Mr. Tennant answered that he would be glad to represent as requested in my letter.

Q—What was your connection with Mr. Tennant before that?

A—We had tendered on the Courtenay Bay work, the breakwater and quays.

Q—Any other associations between you before that time?

A—No.

Q—Nothing but on federal works, Courtenay Bay, and other works in St. John, before that?

A—No.

Q—Was not the whole contract let to Norton Griffiths long before that?

A—Yes, but we were tendering for a sub-contract.

Q—You did not get it?

A—No.

Q—What was your arrangement with Mr. Tennant? Mr. Cozzolino has testified that you had reported it was necessary to have a New Brunswick man here and the arrangements were left in your hands.

A—That is correct.

Q—Why was it necessary to have Mr. Tennant or any other New Brunswick man here to represent you?

A—It was not necessary, but we already had established Mr. Tennant as our agent for this class of work.

Q—Do you believe that if you were tendering on any other than government work you would have had Tennant as your agent?

A—Yes, we were obligated to have him.

Q—Once having reached the point where it was advisable to take him in then what did you do?

A—He became our agent.

Q—Was the contract in writing?

A—Yes, Mr. Teed has the correspondence and contract.

Mr. Teed here handed the correspondence and contract to Mr. Carvell who, after reading them, put them in evidence. They are published elsewhere.

Q—Now, Mr. Lindsay, I notice there is no reference except in a general way to the remuneration. When did the question of remuneration come up?

A—About the time we put in our first tender for the Valley Railway work.

A—We paid him \$100,000. (Reads Mr. Tennant's receipt for that amount.) That was on May 19th, 1918, and the receipt showed that "it was agreed that the sum was an advance against my profit of contract entered into this day between your company and the directors to construct the uncompleted portions of the Valley Railway."

Mr. Carvell was proceeding to read another document drawn up at the time of the signing of the contract, which he said he wanted to put in evidence, but he apparently changed his mind. "I don't think I would want to put it in evidence," said Mr. Carvell.

Mr. Teed—This evidence is on the record and it has got to go in.

Mr. Carvell—No it doesn't.

Mr. Teed—You are bound to put it in.

Commissioner Stevens—I think with the explanation of the witness it ought to go in.

The document was a second letter from Mr. Tennant that if his share of the profits were less than \$100,000, he would adjust the balance.

Q—When did you receive this? A—They were sent to my office at my request.

Q—Since Mr. Cozzolino gave his evidence?

A—Yes, but the agreement to pay the share of the profits was made when we received the contract.

Q—Did you pay him the \$100,000 by cheque or cash?

A—By cheque.

Q—Have you paid him any other money?

A—Yes, \$30,000.

Q—When did you give him the \$30,000?

A—In February last.

Q—When did you get this receipt?

A—The same time as I got the other.

Q—When was it dated?

A—February 9th.

Q—There was an election on about that time?

A—No.

Q—I really don't know anything about your election, I wasn't in New Brunswick during the elections.

Q—Why did you pay him the \$30,000 under those circumstances?

A—Because he wanted it.

Q—Did he give you any reason?

A—No.

Q—Well, it is a blamed good thing for you that he didn't ask you for \$30,000.

A—He wouldn't have got it.

Q—Did you pay him a salary?

A—His salary was included in the \$120,000 you pay him to date.

A—As long as he was acting in his capacity as our agent, we must pay his salary which is included in the profits.

Q—Did you pay him any other money?

Q—Now didn't Mr. Tennant see them?

A—Naturally Mr. Tennant must have seen the figures, because he was a partner. But I doubt very much if Mr. Tennant ever had a copy.

Q—Before you put in your tender did you have any agreement that your firm or company should have a sub-contract?

A—Mr. Tennant spoke of some whom he said if prices were equal he would like to see them get sub-contracts.

Q—Who were they?

A—Mr. Kennedy & Macdonald, also Smith & Merrithew and some others, but I don't think we were able to come to terms with any of the others, have forgotten their names, but I think Engineers & Contractors was one.

Q—Was there any agreement with Tennant as to the prices Kennedy & Macdonald and Smith & Merrithew were to receive and as to the portions of the road they were to get.

A—There was no agreement concerning prices or portions, but I was asked by Mr. Tennant to give them a preference.

Q—Did Tennant tell you he wanted to have the contract on a much more favorable basis.

A—No.

Q—It is a fact they have much more favorable terms.

A—No, Kennedy & Macdonald have a bit better terms on some items, but there is little difference in the figures of Smith & Merrithew.

Q—Well, Mr. Foss said there was a great difference.

A—Mr. Foss is laboring under a delusion. They may get a better price on some items, but on others their prices would be lower than our other sub-contractors.

Q—They were getting higher prices than the other contractors?

A—No.

Q—Why were Kennedy & Macdonald given advanced prices on some items?

A—Well, I had a very hard job in dickering with old man Kennedy because he wants everything in sight. I am continually having complaints from Kennedy & Macdonald that they are not getting enough money and they are filling up my office with extra claims. That is all there is to it. The same applied to the Bedford people, because they had the plant and equipment to do the job.

Q—What was your reason for giving the prices you did to Smith & Merrithew?

A—Exactly the same reason. They had been recommended to me as first class men and they offered to put on a good equipment. It was purely a matter of judgment on my part.

Mr. Carvell—I can accept your statement with respect to Kennedy & Macdonald.

Mr. Lindsay—Yes, and the same is true with Smith & Merrithew. They have a good plant and they certainly carried out their undertaking. Mr. Tennant said he would like to have the contract given them if their prices were as low as the others.

Q—But they got a higher price?

A—I gave it to them because of the heavy plant.

Q—And no other consideration?

A—Absolutely none. It was purely a matter of my own judgment.

Q—Did other firms have silent partners?

A—There was a gentleman named Thomas Nagle with Kennedy & Macdonald.

Q—Do you know Nagle to be a silent partner in that firm.

A—I have no idea. I knew he was there at the signing of the contract between Kennedy & Macdonald and myself.

Q—Have you any knowledge that Smith & Merrithew have a silent partner?

A—No.

Q—Did you ever hear they had a silent partner?

A—I think there was a man named Arnill, who lived around Woodstock, but they bought him out.

Mr. Carvell—He lived in Fredericton.

Lindsay—Perhaps he did.

Q—There was a contract signed in February last for the construction of the road between Centreville and Woodstock?

A—Yes.

Q—That contract was dated the 8th day of February, 1917?

A—No.

Q—Do you notice the contract is dated the day before you paid Tennant the \$30,000?

A—Yes.

Q—Do you think there was any connection between the signing of that contract and the payment of the \$30,000 to Tennant?

A—No, I can't see any connection with that any more than I can see any connection with our original agreement.

Continued on page three.

## When Money is Tight

Practically all classes of investments—bonds, stocks, debentures, real estate—depreciate in value to a ruinous extent. Investors are often forced into bankruptcy at such times through conditions over which they have no control.

But an Imperial Life policy never depreciates. On the contrary, it continues to increase in value from the day it is issued until its maturity, no matter what financial conditions may be.

If you would like to know more about this "panic-proof" investment fill out and return the coupon below. We'll send you some interesting literature by return mail.

Name.....Age.....  
Address.....  
Occupation.....  
MARRIED

### THE IMPERIAL LIFE Assurance Company of Canada HEAD OFFICE - TORONTO

L. J. LOWE, Provincial Manager, Royal Bank Building, St. John.

## BLAMES GERMAN GOLD FOR THE FAILURE OF VOLUNTEER SYSTEM IN THE DOMINION

Ottawa, June 19.—On his return to continue the debate on the military service bill Sir Sam Hughes was received by government cheerers. In opening he remarked that as he had served as minister of militia for a considerable time during the war he was fairly familiar with the work and the manner in which it had been carried on.

Sir Sam then proceeded to give a historical and carefully prepared sketch of the whole proceedings, including the constitutional law governing the militia in Canada. He said he had given notice that at first opportunity he would move that the militia act should be applied or some other action taken for the compulsory raising of troops for overseas service.

### Favored Compulsion.

He had written the prime minister on October 17th last strongly recommending compulsory service, had advocated it at public meetings and had constantly supported it ever since.

Sir Sam read his letter to Sir Robert Borden, which set forth as his personal views, as a result of the gigantic proportions assumed by the war. In his letter he said the militia problem was still that of men, and that he had evidence of movements to keep the slackers at home in certain parts of the Dominion, and that the rest might fill their places. He therefore at that time strongly recommended to Sir Robert Borden the adoption of some proper safeguards, and asked the prime minister to give proper consideration to this. To this letter Sir Sam said he received no reply.

### Wrote to Premier.

The day after the return of the prime minister from England, Sir Sam said, he sent him a letter saying: "I have waited until your return before taking action in relation to our efforts in this war, or rather our lack of effort in the war," and calling attention to his notice of motion for compulsory service. This letter was written on May 16 last, and asked Sir Robert to arrange a time when the matter might be discussed in parliament.

### Endorsed Measure.

"I therefore," said Sir Sam, "heartily endorsed the proposition he then made and have hoped that the details of the measure would get such as to meet with general approval."

Proceeding Sir Sam analyzed the constitutional aspect of the matter, as to the authority, meaning, advantages, responsibilities and accomplishments of compulsory service, with the question of whether conscripted men would be suitable. He quoted at length Section 15 of the British North America act and also the Militia act, which provides: "To give Canada full authority to enroll her militia at any time and to train them the government could call out 300,000 men tomorrow and train them if they chose so to do. Canada has authority to send them overseas for the defence of Canada in an emergency, and war is an emergency."

### Shortage of Workers.

"The leader of the government did so on more than one occasion," said

## When in Doubt Play Blue Serge

It's always a winner. An ample stock here ready tailored. Some in smooth, bright finish; some in plain finish cheviot; others in roughish cheviot.

One line of the moderately rough blue suits we have sold for several years with the utmost satisfaction to all concerned. It is guaranteed fast color and when the present let is sold there's no more to be had. The price is \$28—Costs in three and two button sacks. Finished to your measure by our own tailors.

Other Blue Suits at \$26, \$28, \$30 and \$32—dependable in every respect.

### Gilmour's, 68 King St.

Open Friday Evenings. Close Saturdays 1 p. m.

Sir Sam. "Take the very day when Mr. McDougall was present, the leader of the government asked me if I could not let up on recruiting, and more over the right honorable leader of the government pointed out—if he wants the whole story I will gladly give it—he pointed out that there was a tremendous agitation in Toronto over the subject and that the Finance Minister had told him there was a perfect storm brewing there, and that more could not be obtained for workers."

Sir Sam stated that he would read letters from the Prime Minister, in support of his statement. One was marked confidential, however, and he wanted permission to use it. He started over to show it to Sir Robert who waved him away, remarking that he did not wish to read letters in the House and that Sir Sam would have to use his own judgment. The former minister did not read the letter.

Continuing Sir Sam said that before his resignation he had yielded to the request of the Prime Minister, and partially let up on recruiting. The only excuse he was able to give was that it was a period between winter and spring encampments at the time. No men were drawn out and none given to munition work by the officers were simply instructed not to exert themselves as vigorously, as formerly owing to the fact that the government had no places to give the men without going to great expense.

A contributory cause to the failure of the voluntary system had been the growth of the mercenary army, which was at some with easy work and no danger."

Reads Letter.

Sir Sam also devoted some time to describing the manner in which he was hampered in forming new battalions and read to the house a long letter to the Prime Minister reviewing his plans for raising men for the various contingents. He also gave a house a dissertation upon "the basis of popular government" in which he voiced a complaint about "meddling hindrance and interference from all other ministers besides the Prime Minister." This interference, said Sir Sam, was the primary cause of the failure of voluntary enlistment.

Reviewing the record of voluntary enlistment Sir Sam said it was unique in history, with an entire absence of red tape. Such as one of the 400,000 men and the Prime Minister had promised 600,000, although Sir Sam said he could see no reason why any time should be taken for a million men to overthrow Kaiserism.

### Raised Nearly 400,000.

Then, said Sir Sam, petty interferences started to crop up which interfered with the raising of men. Although he raised upwards of 400,000 men with little friction, with absolute fairness and with marvelous good conduct and efficiency on the part of the soldiers.

Later, early in 1918 came action on the labor question, and that he said, was the logging of the end of the voluntary recruiting.

Sir Sam said he preferred the militia act to the adoption of the selective principle as adopted in this bill. He did not favor the selection by tribunals under the justice department but preferred the ballot under the militia department. Under the militia act men could be selected for any national service, such as farmers, mechanics, miners, etc., all receiving regular military uniform and rates of pay. But under this bill the man comfortable at home might earn \$7 to \$10 a day as a mechanic, while his brother died on the trenches received only \$1.10.

Sir Sam concluded that he passed by every objection, refused to heed any criticisms against the principles of the bill. "I stand for the bill," he declared, "and will help in every way to make it a success, if such is possible. I wish to give it every chance; improve it without loss of time; get it into operation forthwith so that our boys at the front may be properly supported."

"Let me appeal to the veteran leader of the opposition to join, after pointing out the defects of the bill, in having it become effective; grant year's extension of parliament, and have action such that our lads under the flag may go in the end of the end of September. I would have preferred the militia act, but when this bill is passed, as I trust it will be, I am certain our boys will do their duty, and I can assure you I shall do nothing to disturb the passing of this bill." (Government applause.)

## FOX

His Luggage Was Stolen  
Companies, Etc.  
While His Mail Was Opened  
Third Alias  
son in St. John  
Many Places Fox Appeared  
That Are Now Mailed  
where Hereafter

(By Fox) The Fugitive Miss Florence Howard, daughter of W. Daniel & Co., recovered the prize notes that were hidden last Friday. I delivered personally a pair of gold beads.

"You were not Fox? The Fugitive! Indeed! No you were not?" Miss Sarah Snodgrass, not believing that the occupant of the parlor chamber for three days possibly had been identified. Finally convinced of the fact that the fugitive was at my disposal all the contents of the room without a word being said. "To think it could be possible there was over a hundred rewards." Then breaking into a hearty laugh she exclaimed: "And my name was made here in the act of going out to find Fox!"

I assured her that I overheard the conversation occurred in a large, bow window front parlor 137 Duke street, where my name makes a congenial acquaintance through the medium of the local press. With cars passing and only three blocks from the town. A quiet neighborhood, with cars passing and only three blocks from the town. A quiet neighborhood, with cars passing and only three blocks from the town. A quiet neighborhood, with cars passing and only three blocks from the town.

I left the city that day after the pleasant and interesting tour. I had been accustomed to get into the city in a motor car, but I had been so long in the city that I had learned the ways of the town. I had learned the ways of the town. I had learned the ways of the town. I had learned the ways of the town.

I soon found that so many of the people of the town were so well known to me that I had little reason to fear disclosure. I lived here in the town, and I had been so long in the city that I had learned the ways of the town. I had learned the ways of the town. I had learned the ways of the town. I had learned the ways of the town.

My absence was accounted for by the fact that I had been so long in the city that I had learned the ways of the town. I had learned the ways of the town. I had learned the ways of the town. I had learned the ways of the town.

10c each

WEBSTERS Pure Her tastes go