PAID
ONTRACT

Q.—Have you asked the question of any official of the company?
A.—I have not.
Q.—Do you know whether the funds have passed through?
A.—I do not.
Q.—Have you asked of any official of the company if such were the case?
A.—I have not.
Q.—Have you ever been at the company's New York office?
A.—I have not.
Q.—Do you know if the company has a New York office?
A.—I do not know.
Q.—Have you asked any officer of the company if that were the case?
A.—I have not.
Q.—Do you know anything about the company?
A.—I do not know much about the company.
Q.—Well, anyhow, you have assumed responsibilities whatever they may be of director.
A.—Without any liability.
Q.—You may have thought so; others may have a different opinion?
A.—Yes.
Q.—Are you willing to assume the liability or responsibility of having the books brought from New York to New Brunswick?
Mr. Teed objected, but the witness answered: I would be willing to do everything in my power to bring them here.
Q.—If so instructed by this commission are you willing to hold a meeting and send to bring the books here?
A.—So far as I am able to do so.
Q.—That is fair. Were you subpoenaed to produce the books here?
Witness explained laughingly that he knew he was subpoenaed to appear in the court, but did not read the subpoena further.
That was the whole of his evidence, and it was stated by Mr. Carvell that there was no further need for Messrs. Chestnut and Edgecombe to remain in St. John.

John Scott Back on Stand.

John Scott was then recalled and was examined by Mr. Carvell.
Q.—Did you make or lose money by this contract?
A.—Lose.
Q.—Are you able to pay your debts in full?
The question was objected to by Mr. Teed, who thought it was not necessary to go into the personal affairs of the witness. A long argument ensued in which Mr. Carvell contended that any question of money owing to the subcontractors or debts to the men who were on the job came within the act passed in the last session of the legislature providing for the assumption of those debts by the government of the province.
Com. Fisher—Are there any amounts held back from your account on the progress estimates? Under some of the progress estimates there was 10 per cent. held over and I want to know if the railway company are indebted to him for the amount.
Witness then stated in a lengthy answer that he had not made the charge which had been referred to by Mr. Carvell in the morning and he added that he could make an affidavit that he had made no charge against Hon. H. F. McLeod. As to Mr. Dugal, he would not know him if he saw him in court. In the matter of the contract he said they expected Hon. H. F. McLeod to stand behind them, and he had been given to understand at the time the contract was made that it would be so in case of difficulties with the engineers. Mr. McLeod had told him, "I am the provincial secretary and the only man who can sign the bonds." But every estimate that was put in was "killed down." He then gave an instance of November, 1912, wher the figures were made out to show that only two and four-fifths of a yard a day had been done. He took that matter before the premier and others of the party and pointed out that he had not been properly treated. He protested that he had never made the alleged statement about Mr. McLeod. On Aug. 16, 1913, Mr. McLeod endorsed a note for $500 until the 25th, the same month, and then refused to do so further. Witness then got the money from his brother. "But we were only paid $50,000 out of $112,000. The ten per cent. has been held back and the force account also, although it was passed by the engineers and approved by Ross Thompson. Then it was that we could not pay our bills because we could not get the money. I want it to be clear that I made no charge about Hon. H. F. McLeod at all. Yet he said that I was a cur and all that, and I think it is not right."
Com. Fisher—How much do you figure out that the railway people owe you apart from the ten per cent. withheld?
A.—I think that will be satisfactorily arranged by the engineer.
Mr. Carvell—How much do you say it is?
A.—About $7,000 or $8,000. It would have been enough to pay our bills.
Com. Fisher—If you got this money, the $8,000, it would have paid your bills?
A.—Yes.
Mr. Teed remarked that the witness made it very plain that if the amounts due to him were paid everything would be all right. There could then be no question of the division of funds.
Mr. Carvell (to witness)—I want to come back to Aug. 16 when you saw him what did you ask him?

McLeod's Endorsement.

A.—I asked Hon. H. F. McLeod to endorse the $500 bill. I could not get the Hibbard paper through the banks. I tried several. On a previous occasion I had to go to Mr. McLeod and he endorsed for $2,000 and saved the situation for us, and I took the bill to the Bank of Montreal and I paid the discount myself. In August I wished for an endorsement for $500 and he absolutely refused to do it. He said he could not do it. It laid there a fortnight as I dare not go back to the work as the men might strike. On the 16th I said to him: "I have done my part; now do yours." Then I borrowed the money from my brother Will, W. J. Scott, and went back and finished it up.
Answering T. J. Carter the witness said that he was forty-four years of age and had been connected with several businesses in his time. Coming to railroad matters he said that he went to Hon. H. F. McLeod rather than to subcontractors to secure his contract. He was frequently in conversation with Hon. H. F. McLeod, but he did not know what the other contractors did. He then gave details of the repayments and the payments of interests on the bill for $500 ranged in sums of from $5 up to $170. These amounts were mostly paid to Mr. McLeod and witness said that the

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small differences in the amounts he regarded as for legal work done. Hon. H. F. McLeod had endorsed two bills for him and one or two for C. Scott and Kelly—the last after the repayment of the one mentioned. He added that he had reason to believe that they would not have got the work if he had not got it through Hon. Mr. McLeod. The cross examination produced one interesting interlude.
Q.—Mr. Carter: Were you not compelled to leave the Scott Lumber Company because the Bank of Nova Scotia accused you of misrepresentation?
A.—False as hell. Your statement is as false as hell.
Q.—Now, that won't help you.
A.—I don't want it to.
Q.—Why did you leave the company?
A.—In the financial crisis of 1907 we were not able to raise the money from the Bank of Nova Scotia.
Q.—Why did you leave?
A.—For the protection of my brothers. If you wish me to explain I will explain it from A to Z. I didn't step into this chair to state what I didn't know.
Q.—But didn't the bank accuse you of misrepresentation?
A.—I simply state it is as false as hell.
Q.—Did the bank insist on your going out?
A.—No.
Q.—Did the bank take over your timber lands and sell to Fraser? Was it the bank or your brother?
A.—It was on August 16, 1907, that I went out of the Scott Lumber Company and they transferred certain property for me and I paid the money to the Bank of Nova Scotia, and their records could show it.
The chairman: I think we have gone far enough in this direction.
Witness: And I think so, too.
Later Mr. Carter asked: Are you not suing the Hibbard people?
A.—I suppose so.
Q.—Who are the other parties to the contract?
A.—The St. John & Quebec Railway Company. We are relying on their engineers.
Q.—Is not your contract solely with the Hibbard Company?
A.—No, with the St. John & Quebec Railway Company.
Q.—Is not your contract with the Hibbard Company?
A.—If they had an engineer.
Q.—Did you not do your work under the contract with the Hibbard Company?
A.—We did the work but we relied on the St. John & Quebec Railway people.
Q.—Did you have a contract with the St. John and Quebec Railway Company?
A.—It was verbal one. I can have the letter here acknowledging, in the morning if you want it.
Q.—Will you swear you had?
A.—I will swear.
Q.—Separate from the other? with the St. John & Quebec Railway Company?
A.—With Mr. Rose Thompson.
Q.—When was it made?
A.—In the spring of 1912.
Q.—The same time that you were under contract with the Hibbard Company?
A.—Yes.
Q.—Then you had a contract with both for the same work?
A.—No, I did not say that.
Q.—What was your contract with the St. John & Quebec Company for?
A.—Delivery of concrete piping.
Q.—You were friendly enough with Hon. H. F. McLeod to go on with the work?
A.—Why was I not?

On McLeod's Side.

Q.—You went on until the time of the by-election?
A.—No, sir. I am on friendly terms with him now only it is he who called me a cur and what not.
The chairman—Do you think it necessary to go into this?
Mr. Carter said it was to test the veracity of the witness and went on to ask whether the witness had not supported his brother at the election while Mr. McLeod favored the opponent, Mr. Guthrie?
Witness denied that there was any feeling and said that he had met Mr. Flemming and said that the estimates had been tampered with and an arrangement was made for him to see A. R. Gould at the Victoria hotel, St. John.
"In the morning when I was in the city," went on the witness, "A. R. Gould paid his hotel bill and went away without seeing me. I went to see Mr. Flemming in his bedroom. He was dressing and I said to him: 'It looks like adding insult to injury.' He sat down and wrote a telegram to A. R. Gould at Fredericton. I went on later and sent my card to Mr. Gould. He sent word that he would see me in a few minutes, but it was 11 o'clock at night before he came down. I met him partly across the hall and said: 'I was disappointed not to have seen you in St. John this morning about that matter of the railway when Mr. Flemming and you could have talked it over.' He said, 'What has Flemming got to do with it?' And I replied, 'Well, he is premier of the province,' and I said 'Mr. Gould we were not satisfied with the estimate for the past months signed by the resident and other engineers, and feel that it has been monkeyed with,' and he said 'Tut, tut.' Then he said, 'It has not been with my consent.' And I said, 'That is just what I am getting to.' After that I told three members of the legislature about it and it is like the story of the three black crows, it grew and grew. That is how the charge began.
Mr. Carvell—On Aug. 22, Hon. H. F. McLeod did you service, you say?
Witness (reading from a diary)—"Aug. 22, H. F. McLeod, three months and help."
Q.—He did you service and you paid him?
A.—Yes, that is the entry.
Q.—He endorsed another note for Scott and Kelly. Did you pay him then for assistance?
A.—No, sir.
Q.—The note you have given us the history of for $500—some of the $5 you paid back and for interest would be for service?
A.—Yes.
At the conclusion of this witness' evidence the Royal Commission adjoined until 10 o'clock this morning.

MORNING SESSION.

Thursday, July 23.

Ernest L. Kelly was the first witness in the morning. Examined by Mr. Carvell, he said he was a partner with John S. Scott on a contract under the Hibbard Company on the Valley Railway.
Mr. Scott and I looked over the part of the work we wanted to take. It was announced in the papers that we had the contract, but later I heard that it had been given to some one else. I went to Mr. McLeod's office with Mr. Scott and we talked it over. Mr. McLeod said that the contract was let without his consent, and told us about another piece of work on which he thought we could get the same prices, 26 cents and $1.10. He said he thought there should be something in it for him, about $100 a mile. Mr. Scott asked what I thought and I agreed to it.

Half His Way

Mr. Scott and my father looked over the work on the section, Mr. McLeod spoke of. When we saw Mr. McLeod again Mr. Scott held out for 27 cents and $1.10. The entra cent figured up to $8,000, and Mr. McLeod said he thought half of it ought to come his way. I said that would be satisfactory.
When we saw Mr. Hibbard, Mr. Scott told him our prices and Mr. Hibbard said "Well, John, some of your friends want you used right, so I'll give you these prices."
We went back and told Mr. McLeod about it and he seemed pleased. Mr. Scott asked if there was any way the engineers could get back at us. Mr. McLeod said "I'm provincial secretary and I'll see that they use you right, and I'll sign no——bonds for them until they do."
We spoke of the work, and he said we should not mind losing the other work and this would be as good as $10,000 a piece for us, but we have not seen the $10,000.
The witness said he knew that the $1,500 was paid out of the firm's funds for this purpose, but could not say of his own knowledge that the money reached Mr. McLeod.
Cross-examined by Mr. Carter, he said that he did not have much to do with the books, and so could not tell if there was any entry or voucher for the amount. He denied that he had talked over the evidence he was to give with either Mr. Carvell or Mr. Scott.
Mr. Carter attempted to pin the witness down to the exact words used by Mr. McLeod at the first interview. Mr. Kelly said what he had told was the effect and the substance of the conversation, but he would not swear to the words used.
The witness told of his previous experience in railway construction work with his father on the Kitchen contract on the Transcontinental and as foreman with Alex Macdonald on the Southampton Railway.
Q.—You consented to the arrangement you say you made with Mr. McLeod?
A.—Yes.
Q.—And you paid the money willingly?
A.—Yes.
Regarding their relations with the Hibbard Company the witness said that their relations were not satisfactory, as they had been unable to secure a settlement. He did not know that Mr. Scott had gone to Mr. McLeod, but expected that they would get some protection from McLeod.
Mr. Carvell—What do you mean by expecting protection?
A.—He told us he would not sign the bonds unless they used us right.
Q.—Had you any doubts that he had the power to protect you?
A.—We thought he had the power.
Q.—And that was why you paid him the money?
A.—That is right.
Q.—Have you any opinion of the possibility of securing a contract without Mr. McLeod's consent.
A.—I thought we could not get it without Mr. McLeod's consent.
Q.—You and your friends were supplying the capital and Mr. Scott the political influence?
A.—Yes.
Q.—And you paid the $1,500 for Mr. McLeod's influence and protection.
A.—Yes, sir.
Q.—Who were your lawyers in dealing with the company's business.
A.—I left that to Mr. Scott.
Q.—Do you know what lawyers Mr. Scott employed.
A.—Mr. Jones of Woodstock.
Q.—Is he looking after your suit against the Hibbards?
A.—I don't know.
In reply to further questions the witness said that he had understood Mr. Carter to ask if he had a conversation with Mr. Carvell before coming to St. John. He had not, but told Mr. Carvell the whole story after he arrived in St. John. The same applied to conversations with Mr. Scott.
Mr. Carter—When was the first conversation with Mr. McLeod?
A.—After Norman McLeod told me that Smith & Merrithew had the contract we expected.
Mr. McLeod intervened to ask the witness what was his answer to a question put by Mr. Carvell.
Mr. Carvell laughed.
Mr. McLeod—What are you laughing at?
Mr. Carvell—You know the old saying about a lawyer who has himself for a client.
Mr. McLeod—I just want to get at what this witness said.
Chairman—Naturally Mr. McLeod is interested in this matter.
The witness went on to say that Mr. Scott had said that the extra cent would amount to $3,000, and that Mr. McLeod said this amount should be split.
This concluded his evidence.

Accountant Hoben

Ralph D. Hoben, accountant for the Quebec and St. John Construction Company, was next called. He said he had been with the company since the work started. He did not know of any books of the railway company as the books from the start had been kept in the name of the construction company. The witness said the treasurer of the railway was William Goodman of New York. He had seen F. J. Lisman at the company's office in Fredericton. He did not know that Goodman and Lisman were partners but believed they were associated in some way in a brokerage business and occupied the same offices.
Ross Thompson was the managing director of the construction company, drawing a salry of $5,000 with actual expenses. He did not know of Mr. Thompson receiving a salary from the railway company.
The only books of the railway company the witness had seen were the minute books and the stock register.
All the checks of the company passed through his hands and were countersigned by him; except a few when he was on his holidays.
The minute book of the railway company was produced and identified by the witness, who said that it had not been in the office all the time since it was started.
Mr. Carvell—While we were in Fredericton we were told that this book was not there and we have not had a chance to examine it. I would like an opportunity to do so, preferably with the representative of the company, in the next room.

ONE OF MANY PAYMENTS FOR "LEGAL EXPENSES"

R. D. Hoben, accountant for the construction company in charge of building the Valley railway gave evidence Wednesday at the Dugal inquiry of a check for $500 sent to J. B. M. Baxter, M. P. P. for St. John county, on Feb. 6, 1914, and returned by the local member March 25, 1914. The above is a fac-simile of the check identified in court Wednesday afternoon by Mr. Hoben.

The commissioners promised that this would be arranged.
Mr. Teed—You said some time ago that you would not believe a word in these books.
Mr. Carvell—If you produce those books from New York it might be different.
Mr. Carvell, before proceeding with the examination of the witness remarked that they had tried to get some information from Mr. Hoben while in Fredericton but he had not been allowed to give any.
Books were produced and the witness read the printed heading "St. John and Quebec Railway. Voucher and Distribution Ledger." He showed the second volume headed "Quebec and St. John Railway, contractors with the St. John and Quebec Railway Company." He went on to describe the method of bookkeeping and the classification of accounts. The different districts were described and he said that as far as he knew no surveys or work of any kind had been carried on between Andover and Grand Falls. The only data for this section in the office would be the plans and profiles of the Transcontinental railway when they were considering that route. They were simply in the office and he did not know whether the Valley railway engineers were making any use of them. He did not know for certain that these surveys were on the eastern side of the river. He did not know of any survey from Andover or Grand Falls for a route to connect with the Transcontinental or for any other work beyond Andover.
The witness proceeded to describe in detail the methods of distributing the charges in the ledger, telling of the different headings under which they are charged. Referring to a general account he said this included the salary of the chief engineer, $5,000 a year, the salary of the president of the railway company, A. R. Gould, $5,000 a year, office expenses, etc.
A suspense account provided for items which did not fall under the various headings until it could be determined what was to be done with them.
Regarding payments to A. R. Gould, he said that, in addition to his salary, they paid his expenses, including traveling, hotel, automobile, office expenses at Presque Isle, etc.
The traveling expenses of F. J. Lisman were paid on trips to Fredericton and Montreal.
Voucher No. 1738 was produced for expenses incurred by F. J. Lisman & Co. up to February, 1913, showing charges for telephone and telegraph, trips to Montreal and Fredericton by Mr. Lisman, and of Mr. Pascas to Montreal, totalling $399.57. The witness said that this was paid by the railway company in New York, but that sometimes accounts were paid in New York and sent to him to put through the books.
Q.—But it appears in his books as part of the cost of construction?
A.—Yes.
Q.—It is the custom to enter in your books as part of the cost of the railway accounts which you never paid?
A.—Yes, some times.
Q.—When Mr. Blanchette made his audit this was included in the cost of the road?
A.—Yes.
Q.—Can you recollect any other amounts paid to Mr. Lisman?
A.—I cannot say, but I don't recollect any.
Q.—Who is this Mr. Pascas?
attorney.
A.—I understand he is Mr. Lisman's
Q.—Under whose instructions did you enter up this account?
A.—Mr. Ross Thompson.

J. B. M. Baxter

Voucher No. 2657, dated Feb. 7, 1914, was produced, showing a payment of $500 to J. B. M. Baxter as a retainer. The witness said he was instructed to make this payment by Ross Thompson, without further explanation. The voucher was shown to be marked: "This is a copy of the original voucher which was returned to Mr. Baxter on April 30, 1914."
The witness said he gave the original to Mr. Thompson, who told him that Mr. Baxter requested it. The check had gone through the bank and was paid to Mr. Baxter on Feb. 11, 1914.
Q.—Did Mr. Baxter, or any one for him, return the $500.
A.—It was returned; I don't know by whom.
Q.—Did it not pass through your hands?
A.—It was deposited in the bank; I don't know by whom.
Q.—How did you learn of it?
A.—Through the bank book.
The bank book was produced and the entry of the $500 returned was shown on March 25.
Commissioner—Then why was not the voucher returned before April 30?
Mr. Teed—It was not requested.
Mr. Carvell—Mr. Baxter got the money on Feb. 11, and paid it back on March 25?
A.—Yes.
Q.—Who paid it back.
A.—Mr. Thompson told me that Mr. Baxter was——
Q.—Mr. Baxter was a member of the legislature at that time?
A.—Yes.
Q.—You know of a committee of the legislature investigating the books?
A.—Yes.
Q.—Was Mr. Baxter there?
A.—I did not see him. I saw Mr. Tilley on two occasions, but do not recall anyone else. I knew Mayor Black, Mr. Carter, Mr. Jones and Mr. Tilley were appointed. I could not say that Mr. Baxter or Mr. Stewart of Gloucester were members of the committee.
The witness could not fix the date of Mr. Tilley's visits, but remembered he was there twice.
Q.—Was it possible for him to see the books other times without your knowledge?
A.—Yes.
Q.—Do you think Mr. Tilley or anyone else could go in there and get an accurate knowledge of the financial affairs of the company by such an investigation?
A.—I do not.
To the commissioners the witness said that he saw only Mr. Tilley and when he came the books were taken into the private office and Mr. Thompson gave the explanations. The other members might have been there in the evenings when he was not there but he never saw them.
The witness did not prepare any statement for the committee. All he did was to produce some vouchers for which Mr. Thompson asked.
Mr. Carvell asked that the voucher and the cancelled check should be entered upon the records.
Voucher 2592 was produced. It read as follows:—

St. John, Nov. 19, 1913.
The St. John & Quebec Railway Co.
To J. B. M. Baxter, Dr.

1912.
May 21—To consultation with A. P. Barnhill in the matter of the trust deed for securing the bonds issued by the company, ... $ 10.00
" 23—Further consultations with Mr. A. P. B. and Mr. W. A. Ewing on same subject, ... 20.00
" 24—Attending at Fredericton all day, ... 50.00
Expenses, ... 6.00
" 25—Consultation St. John all day, ... 25.00
" 28—Consultation with W. A. Ewing, ... 10.00
" 31—Consultation with W. A. Ewing, ... 10.00
June 7—Consultation re Seely with W. A. Ewing, ... 15.00
" 22—Consultation with Mr. W. A. Ewing, ... 10.00
" 29—Consultation with W. A. Ewing and Ross Thompson, ... 15.00
July 2—Consultation with W. A. Ewing, ... 10.00
$161.00

Professional Services in the Matter of the O'Dell Expropriation.
1912.
Dec. 11—To attending at Fredericton in consultation with Mr. Guthrie and witness all evening,... 25.00
" 12—To attending hearing arbitration, engaged all day, ... 50.00
Expenses, ... 7.50
1913.
Mar. 29—To attending at Fredericton all day and arguing the O'Dell case on appeal before Barry J., ... 50.00
Expenses, ... 7.50
$321.00

The witness said this amount was paid to Mr. Baxter by check No. 3859, issued on January 15, 1914 and paid to Mr. Baxter on February 7, 1914. It covered all of Mr. Baxter's services, that he knew of, up to date, Nov. 19, 1913. He did not know of any other services rendered by Mr. Baxter.
The auditor's stamp was shown on account and check and the witness said it was shown in Mr. Blanchett's audit as part of the cost of the road although the check was not issued until nearly a month after the audit. The witness explained that this probably occurred because the amount had been charged up in the books. He would not attempt to say why until he had another chance to look over the books.
Voucher 198 was next taken up? This was in favor of H. F. McLeod for right of way, lot No. 98, Michael Kelly, $125; A. King, $50; J. H. Carson, $5, and D. B. Griffon, $5. The witness said these checks were issued to Mr. McLeod and the company took Mr. McLeod's receipt for them. Mr. McLeod was engaged as the solicitor for the construction company in connection with these right of way cases. The money was for right of way and only passed through Mr. McLeod's hands.
Voucher 505, next produced, showed a payment of $500 on Aug. 19, 1912, to Hon. H. F. McLeod, for services obtaining deeds and searching right of way titles.
Q.—Did you not have another official whose duty it was to settle these matters?
A.—Yes, C. K. Howard.
Q.—Then Mr. McLeod's services would be purely legal?
A.—Yes.
Voucher 920, dated Dec. 15, 1912, to Hon. H. F. McLeod, on account of services, $1,788.65, (pencilled memo—149 titles).
Q.—What do you infer from that?
A.—That it was in payment for the search and preparation of the deeds for 149 titles at $15.
Q.—Who made that pencil memo.?
A.—I did, there were no particulars in the account. I had Mr. Howard's authority that it was all right.
Q.—One hundred and forty-nine titles at $15 would be more than that.
A.—But there was the previous payment of $500.
Voucher 1427, April 30, 1913, to Hon. H. F. McLeod, services re 97 titles at $15, $1,395 was next shown in evidence, with check dated May 20.
Voucher 2665, Feb. 16, 1914, to Hon. H. F. McLeod, for services to Dec. 18, 1913, $430.67 was produced and read.
The court adjourned for lunch.

AFTERNOON SESSION.

The afternoon session opened with Mr. Hoben, accountant for the construction company, again on the stand.
Mr. Carvell asked for the profiles of the railway and they were produced.
Reverting to the last voucher discussed before lunch, one for $430.67, paid to Hon. H. F. McLeod for legal services, witness said that part of it was charged to the right of way account and the balance, about $90, to general expense account. Witness could not say why the latter item was so charger instead of to the legal expense account.
Mr. Carvell drew attention to two items in the bill, one for consultation with Mr. Thompson re Anderson expropriation and letter from Mr. Carvell and also consultation regarding obstruction of construction of railway by Mr. Napier and instructing Mr. Hill regarding same. Witness could not explain these items. The entry for this account appeared on Jan. 31, but the check was not issued until Feb. 16.
Voucher No. 2606 was produced. This was dated Dec. 31, 1913, and was for a payment to Hon. H. F. McLeod for legal services in connection with searches and deeds, 45 right of way titles, $675. This was settled by Mr. McLeod's draft drawn on the railway company, but paid by the construction company on Jan. 31, 1914.
This appeared in the ledger in December, but was not included in Mr. Blanchette's audit as that only included work done up to Nov. 30.
Q.—Were any of these items, about 100 of them, entered as of Dec. 31, paid during December?
A.—Not that I know of, not unless they were for November work.
Witness explained that the ledger totals did not represent the amount paid out but the cost of the work, as shown by progress estimates, pay rolls, etc., up to the date shown. Some of the entries represented amounts paid but others were amounts still to be paid.
Com. Fisher asked how the items could be distinguished and witness said only by reference to the cash book.
The total shown for work on district C., charged as of Nov. 30, was $1,865,041.22, and for Dec. 31, $1,982,992.01, leaving $117,950.59 as the cost of work, etc., during December. Mr. Carvell asked what proportion of this was paid in December, and witness said he would have to consult the vouchers.
Witness said that Mr. Blanchette only checked the entries and included the figures up to Nov. 30, but Mr. Rowell drew attention that Mr. Blanchette's audit purported to show the cost up to Dec. 31. Witness was unable to explain this.
At the time the audit was made, the witness said, there was a large amount held in the suspense account, but it was included in the audit.

$1,000 for Gleaner.

Mr. Carvell drew attention to voucher 2016, Sept. 17, 1913, for "advertising," signed by A. R. Gould, for $1,000. The check, payable to A. R. Gould, for this amount was also produced. It was endorsed by Mr. Gould and R. D. Hoben. Witness said that Mr. Gould handed the check to him, he cashed it and handed the cash to Mr. Gould. He never received any bill giving details.
In reply to questions about ordinary advertising, witness said that in the usual course of business they had to advertise notices of right of way, etc., in the newspapers. This was the only advertising he knew of and bills were presented by the newspapers for these amounts, giving details.
Vouchers for payments of this character were produced to show the usual custom.
Mr. Carvell—Do you know of any other payment which passed through your books without accounts giving details?
A.—Not that I know of; nothing of that amount, anyway.
Q.—Do you know of any other bills for advertising which did not contain reasonable details?
A.—No.
Q.—When Mr. Gould asked you to get the money for that check did he tell you what the money was for?
A.—No.
Q.—How did you know to charge this amount to advertising.
A.—When I gave him the money he gave me the voucher.
Q.—Do you know where the money went?
A.—Yes.
Q.—When Mr. Blanchette audited the books did he question this amount?
A.—Yes.
Q.—Whom did he ask?
A.—He asked me.
Q.—What did you tell him?
A.—Nothing.
Q.—Did he ask anyone else?
A.—Yes, Mr. Thompson.
Q.—What did he tell him?
A.—I don't know.
Q.—Did he tell him it was blood money?
A.—I don't know.
Q.—Do you know where the money went?
A.—Yes, ten shares of Gleaner stock were attached to that voucher.
Q.—That is a newspaper published in Fredericton?
A.—Yes.
Q.—They were removed before Mr. Blanchette made his audit or he would have had a chance to see the vouchers?
A.—Yes.
Q.—By whom?
A.—By Mr. Howard, I believe.
Q.—Why did he remove them?
A.—I cannot say.
Q.—Is the Gleaner stock considered a good investment?
A.—I cannot say.
Q.—Has the company received any dividends on this stock?
A.—Not that I know of.
Q.—Whose name appeared on the Gleaner stock?
A.—I don't know. I did not notice.
Q.—You did not consider the stock of enough value to pay any attention to it?
A.—I cannot say.
The books showed that the $1,000 was charged proportionately to districts B. C. and D.
District A. did not receive any part of the distribution. Mr. Carvell suggested it was because the Gleaner did not circulate in District A. (Laughter).
Mr. Carvell then asked about a check to A. R. Gould, February 18, 1913, for $2,000 which went to District D. It was "An account for special services." It was not for salary and witness made the check out. It went to suspense account because it was general expense all over the whole line. It was much handier to do so. No explanations were given to him when the check was made out by him. The endorsements were by J. N. W. Winslow and Ross Thompson. A. R. Gould did not endorse though the check was made out to him. Mr. Winslow is postmaster at Woodstock and Mr. Carvell added that he had formerly been a solicitor.
Q.—Is not that a payment to Mr. Winslow and charged up to Mr. Gould?
A.—It looks that way.
Q.—Do you know of any draft for that amount that Mr. Winslow had with the company?
A.—Not that I know.
Witness then explained the system by which items were put into the suspense account. The handwriting in the endorsement "Pay to the order of J. N. W. Winslow" was, he thought, by Mr. Gould. The words "His account" were erased from the back and witness said it was difficult to remember all the details of instructions.

The Best Witness.

Mr. Carvell—I don't think it would be amiss to say here that you are the best witness we have had for a month. You are, I think, honestly trying to answer all the questions you can. I wish we had a whole lot like you. (Laughter.)
The next item was a check for $1,000 to J. N. W. Winslow "on account of services rendered in connection with the buying of rights of way, etc." There was a draft attached accepted by the St. John & Quebec Construction Company per A. R. Gould.
The chairman asked if there was no itemised account for the amount.
Mr. Carvell said there was another itemised account for $1,000 with Mr. Winslow but that that transaction stood by itself.
The chairman—Is there an itemised account accompanying this?
A.—No, not that I have seen?
The draft was endorsed by J. N. W. Winslow, Kennedy & Macdonald and D. A. Macdonald.
Mr. Carvell—This is all charged up to right of way?
A.—Yes.
Q.—Did you receive instructions from Mr. Ross Thompson about that check?
A.—No, sir.
Q.—How did you happen to issue that check?
A.—I knew the draft was due and I made out the check for the amount and went to the bank.
Q.—The draft was made upon the St. John & Quebec Railway Company and not upon the construction company.
A.—Yes.
Q.—And paid by the construction Company?
A.—Yes.
Q.—How can you account for that?
A.—I don't know how to account for it.
Q.—Do you think you would pay the railway company's drafts with construction company's funds without instructions?
A.—I certainly had instructions.
Q.—Have you a recollection of the instructions?
A.—The only instructions I would have would be from Mr. Thompson that the note was due and he would instruct me to pay it.
Q.—Do you keep a record of the liabilities of the railway and construction companies?
A.—I do.
Q.—And you would pay them without regard to which concern incurred the liability?
A.—Exactly.
Q.—And you charged them all up to the construction company?
A.—Yes.
Q.—And you have no further explanation to give of this transaction other than you have given?
A.—No, sir.
The chairman—Is there no itemized account covering that transaction?
A.—There may be a detailed account but it never came into my hands.
Q.—You handle all the accounts?
A.—Yes.
Mr. Carvell—Did Mr. Ross Thompson sign the check which paid the draft?
A.—Yes.
Q.—Did you keep any books between the railway company and the construction company? For instance, you paid the $1,000 for the railway company, did you charge that against the railway company?
A.—No, sir.
Q.—You have no account in your books between the two companies?
A.—I have not except that the money received from the St. John & Quebec Railway Company would be credited, but I think no other record.
Q.—None whatever?
A.—None whatever.
Witness then went on to give details of a check to J. N. W. Winslow, Woodstock, for services in connection with titles between Woodstock and Meductic for $300.
Mr. Guthrie pointed out that the amount was not excessive as there was a lot of work to be done, and Mr. Carvell stated that Mr. Winslow engaged a man to do the work for him and received the money from the company.
Answering Com. Fisher, the witness said that the check was charged to right of way in district C.
There was another check drawn in favor of Mr. Winslow for $3,504.40, Nov. 12, 1912, on account of agricultural land in the town of Woodstock. That was accompanied by a draft payable to the order of J. C. Hartley and charged to the account of J. N. W. Winslow.
Q.—Who was Hartley?
A.—I understand he is a lawyer of Woodstock.
Q.—And he was your lawyer at that time?
A.—I think he was solicitor to the St. John & Quebec Railway.
Q.—I understand that this is a payment on account of agricultural land in the town of Woodstock?
A.—Part payment.
Q.—How was it charged up in the register?
A.—It was charged on station grounds for District C.
Q.—Do you know whether any portion of that was set aside for station ground?
A.—I do not know.
Q.—Do you know in whose name the title now stands?
A.—No.
Q.—Do you know whether the railway has obtained the title to any portion of it?
A.—I do not.
Q.—Have you ever seen the deed?
A.—I have not.

Not in Company's Name.

Then you do not know that the title is in the name of J. Norman W. Winslow and Mr. Ross Thompson?
A.—I do not.
Q.—All you know is that some one of this construction company paid $3,504?
A.—Yes.
Q.—Do you know how much they agreed to pay for the whole amount of the ground?
A.—No.
Mr. Carvell next took the witness to a check to Lewis & Smillie, Ottawa, Sept. 2, 1913, for $1,235. It was accompanied by a letter from A. R. Gould from Presque Isle to Mr. Ross Thompson, asking that the amount of the check be forwarded as soon as the subsidy fund was available.
Q.—Who are Lewis & Smillie?
A.—They are the lawyers who look after the subsidy payments at Ottawa for the railway company.
Q.—Have you had to pay solicitors to look after the payment of the subsidy? I think you have a subsidy agreement with the government, have you not?
A.—Yes.
Q.—You say that they pay this firm of lawyers $1,235 for getting the subsidy paid?
A.—I suppose it would be for services in connection with the subsidy.
Mr. Teed—I don't suppose that you mean what you suggest?
Mr. Carvell—What could there be in it except getting the subsidy. Every word of the agreement is drawn up by the department and sent down for the company to accept. The subsidy for this company was granted by statute and the terms were set out by statute.
Mr. Teed—You know Lewis & Smillie and you know they would not put in a bill for getting the subsidy.
Judge Wells remarked that information might be got on the subject and Mr. Carvell said that he had been to Fredericton and had been given no assistance.
Mr. Teed—You are throwing out a hint that I don't like.
Mr. Carvell—I do not appreciate that remark from Mr. Teed. I have been conducting this investigation like a gentleman.
At this juncture, the chairman announced that the Royal Commission would adjourn until 10 o'clock this morning.

STORM CAUSES HAVOC AT COLLINA

Several Buildings Struck by Lightning, Bridges Carried Away and Roads Gullied Out.

Collina, Kings Co., N. B., July 18—The worst thunder storm in the history of this section of the county did a great amount of damage last night. The storm lasted from 1 o'clock until 8 o'clock this morning. Lightning struck the houses of Cornealous Chamberlain, Ezra Lony, William Mabee and Horton V. Keirstead's store, doing considerable damage in each place.
Several bridges have been swept away and the roads are badly washed out. The crops are badly damaged.

With a Castle in Spain.

"Kitty's father was a self-made man."
"And her husband?"
"He turned out to be a self-made count."—Boston Transcript.

To remove the unpleasant odor from the hands after peeling onions, rub them with salt and wash in cold water.