

HOW MISMANAGEMENT WRECKED A GREAT RAILWAY SYSTEM

Boston & Maine, Which Operates 25 Leased Lines in Four States and in Quebec in Bad Muddle Financially.—System's Affairs Before Courts and in Hands of Receiver

Boston, Dec. 18.—In the opinion of Vice-president William J. Hobbs of the Boston and Maine railroad, now in the hands of a receiver, a large part of the securities held by the company are worthless. Vice-president Hobbs is the financial expert of the system, which operates five lines in Maine, Massachusetts, Vermont, New York, New Hampshire and Quebec.

Before the recent railroad difficulties in New England, the New York, New Haven and Hartford Railroad controlled the Boston and Maine, which in turn held the majority of the stock of the Maine Central, Washington County (Maine) and other lines.

The Concord and Montreal, the Fitchburg and other lines are leased by the Boston and Maine system, Vice-president Hobbs stated.

Fictitious Values.

These securities he testified are carried on the books at a total value of \$11,475,439, and consist of 55,514 shares of Fitchburg R. R. stock with a book valuation of \$5,488,394. The Fitchburg stock in his opinion was not worth more than \$10 a share or \$555,140.

Mr. Hobbs stated that the St. Johnsbury and Lake Champlain railroads which operate 100 miles of track across Northern Vermont was worth "just about what it would bring as junk."

The Boston and Maine holds \$436,000 of the bonds of this road and was liable as guarantor of principal and interest on \$1,325,000 additional bonds. In addition he said the Boston and Maine has \$940,000 worth of notes of the St. Johnsbury and Lake Champlain which were worthless.

Mr. Hobbs had been called as a witness by Conrad W. Crocker, counsel for the minority stockholders who are opposing permanent receivership of the Boston and Maine.

No attempt had been made, the witness said, to determine whether the Fitchburg, Boston and Lowell, Concord and Montreal and other leased lines were paying propositions. There was no separate accounting to indicate earnings or losses of the various lines.

Vice-president Hobbs also testified that the 5,619 shares of Boston and Lowell stock, carried on the books of the Boston and Maine at a value of \$1,198,820, were in reality worth \$730,470 or about \$130 a share. The purchase price, he added, was \$220. Under the terms of its issue, he testified, the Boston and Maine guaranteed an 8 per cent. dividend upon the \$7,679,400 capital stock of the Boston and Lowell, now outstanding.

Minority stockholders of the Boston and Maine railroad have lost a point in their effort to prevent the present temporary receivership of the road from being made permanent, when Judge Morton ruled in the federal district court that they would not be allowed to attack the validity of the road's \$13,300,000 short term notes. In the present proceedings, the Inter-Continental Rubber Co., which appears as the petitioner in the receivership action, claims to be a creditor of the road to the extent of \$51,000 on notes which were part of the \$13,300,000 issue.

Counsel for the minority interests had previously said that their case rested largely on the question of the validity of the short term notes, which they contended were issued during the period that the Boston and Maine railroad was under the illegal control of the New York, New Haven & Hartford railroad.

Judge Morton should previously have signed a formal order permitting the minority stockholders to attack the receivership of the road of the corporation and the good faith of the directors questioning as to the receivership. He added that he would hear the minority on the questions of the validity of the notes when the notes were presented for payment. He said, however, that in the present proceedings he would allow counsel to introduce evidence bearing on the question whether the notes were properly signed and issued, and whether the holders were bona fide creditors or merely persons holding the notes for the purpose of collecting payment. The notes themselves, he continued, were not a party to the present proceedings which concerned only the question of making permanent the temporary receivership, and they would not be bound by any finding of the court. All that was necessary in the current proceedings, he said, was to determine whether or not these notes represented indebtedness.

Disposition of Funds.

In consequence of the court's ruling Asa P. French, counsel for two of three remonstrants, made an offer of proof in which he said that he desired to show that the money which was raised by these short term notes was in whole or in part expended for purposes beyond the provision of the statutes.

The minority interests were also refused permission to attack the validity of the Boston & Maine endorsement of the notes of the Vermont Valley railroad. James H. Hustis, temporary receiver and president of the Boston & Maine, testified that Boyd B. Jones, who appeared as counsel for the petitioning creditor in the receivership action, had been employed by the railroad. It also appeared that a draft of the bill of

complaint was drawn up by Judge Marcus P. Knowlton, a director of the road; George L. Mayberry and Edgar A. Rich, both of whom are counsel for the road.

Concord & Montreal.

Concord & Montreal shares purchased at \$160 each are not now worth more than \$90 according to the witness, who added that the Boston & Maine guaranteed a dividend of 7 per cent. on Concord & Montreal stock. The witness also declared that a note from the Hampden Railroad Co., carried on the road's accounts at a value of \$240,000, was worthless.

A value of \$54,000 was placed by Mr. Hobbs upon \$108,000 worth of first mortgage 5 per cent. bonds of the Montreal and Atlantic Railway Co. The interest on the bonds, he said, was three years in arrears. The road runs from Richmond, Vt., to Ferrisburgh, P. Q., and never paid a dividend, the witness asserted.

Among the really valuable securities mentioned by Mr. Hobbs as being held by the Boston & Maine were notes of the Fitchburg railroad for \$750,000, representing additions and improvements made on that leased line by the Boston & Maine. These notes, he said, would sell for approximately their face value. Notes of the Connecticut River Railroad Co. for \$450,000 might also be redeemed for their face value, according to the witness.

In contrast with the depreciation in other securities owned by the road, Mr. Hobbs affirmed that the shares in the Portsmouth Toll Bridge Co., which were valued on the road's books at \$4,000 were actually worth \$40,000.

Favors Receivership.

Marcus P. Knowlton, chairman of the federal trustees controlling the New York, New Haven & Hartford railroad's holdings of the majority stock of the Boston & Maine testified in the federal court proceedings on the question of making the temporary receivership of the Boston & Maine permanent, that he believed the receivership was the best way out of the road's difficulties.

The witness, who was formerly chief justice of the supreme court of the state, added that in his opinion the ideal plan would be a reorganization of the twenty-five railroad corporations now operating as the Boston & Maine. "I have never believed nor hoped that the reorganization would be accomplished so long as the road was paying its rentals. My belief was that no reorganization would be accomplished until the road came into the control of the court and the various parties of interest came to take a rational view of the situation."

Continuing, Judge Knowlton said that he had been opposed to the extension of the \$13,300,000 short term notes from the beginning because he thought that the matter should come into court and be dealt with speedily. Personally, he said, he had felt that renewal of the notes simply postponed their day in court, but because certain of the directors viewed a receivership with anxiety, he consented to an extension of the notes from time to time.

Fraud Alleged.

The court declined to allow Conrad W. Crocker, counsel for a minority stockholder, to take up certain stock transactions which counsel said would show that the stockholders were defrauded through the purchase and sale of stock by the directors prior to 1909. Mr. Crocker asserted in his argument on this ruling that a majority of the trustees were engaged in a scheme of reorganization that would perpetuate the control which he alleged was formerly set up by the directors through the J. P. Morgan fiscal agency.

The Gold Dust Twins' Philosophy

If you have ever fumed and fussed, because of dirt and grime and rust, and said unto yourself, "Oh, dear! This household work will kill, I fear"—then it is time that you should find some other method far more kind.

Of all the woes a housewife bears, one always fills her day with care. The kitchen after-meal-time mess, is quite enough to make one fuss. What, with the pots and pans and plates and knives and forks and plates and cans, no task of man, however grim, the half as mean is handed him.

Two little willing workers aim to enter in this household game: their job, the lessening of work, a task that neither of them shrink. With active little hands and brains they grab the irksome household reins, till soon each kettle, pot or dish, is just as bright as you could wish.

And not until the chores are done, from sink to silver, sun to sun, could anything inspire the two, to drop the tasks they have to do.

Therefore, if you have never known assistance such as we have shown, your troubles end, where joy begins. Now, Mrs. Brudge, the Gold Dust Twins! Henceforth, as dishes congregate, and dingy pots that cannot wait, awaits you at the close of day—"Cheer Up!" Forget the labor planned: You have two aids at your command.

The Gold Dust Twins

BOSTON POLICE STATION IS DYNAMITED

Act Thought to be One of Revenge.—No Person Injured, But Several Narrow Escapes.

Boston, Dec. 18.—The station of the harbor police in the north end district was partly wrecked by an explosion of dynamite that had been placed against the outside walls, apparently with the intent to destroy the building. Four officers were inside, three of them sleeping in a dormitory, just above the place where the explosion tore a hole in the wall, but all escaped harm. Residents of the populous tenement districts on Commercial and Salutation streets nearby were frightened as their houses were shaken, plaster was cracked and broken glass fell about them.

Act of Revenge.

The police said the explosion was intended probably as an act of retaliation because several unlicensed meetings led by industrial agitators had been broken up recently by officers. Several suspected persons were questioned during the day but no arrests were made. The residents of the district are largely foreigners.

The effect of the explosion was partly outward, shattering windows across the street. The hole in the station was less than three feet square. The interior of the building was damaged, a portion of the ceiling falling on the head of Sergeant Abraham L. Killam, who was in charge of the desk.

PORTER KILLED IN A WRECK ON THE C. & G. R.

Moncton, Dec. 18.—James McCutcheon, colored porter, was instantly killed and A. W. Wright, another colored porter, was badly injured about eight o'clock last night when a north-bound "deadhead" passenger extra jumped the track at Routhville, about thirty-two miles north of Campbellton. The train was traveling about

TRAVELLING?

Passage Tickets By All Ocean Steamship Lines.

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On Hand at Our Works and Offered For Sale

NEW
1 Inclined Type, on skids...50 H. P.
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Complete Details Together with Prices Can be Had Upon Request.

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thirty miles an hour when a car in the middle of the train jumped the rails and toppled over an embankment. Several cars left the rails, the locomotive and rear cars remaining on the track. About 1,800 feet of track was torn up. McCutcheon was instantly killed. Wright was taken to Campbellton and it is feared will not recover. They are believed to be employees of the Grand Trunk.

No. 4, southbound Maritime express, due here at eight o'clock this morning, was cancelled. No. 209, Ocean Limited, southbound, due here this afternoon was detained over the N. T. R. tracks from Chaudiere curve and arrived here this afternoon.

Will Likely Re-operate.
"Bathurst was never more prosperous than at the present time," said

Joseph Ryan, the well known North Shore barrister, who was in the city yesterday on business. "All our industries are in a flourishing condition, and no better indication of the advance than that the town is making can be given than the great scarcity of houses. The operation of the new Eddy flour mill next year will add another busy plant to the town's many industries."

There was an analysis of the water recently taken in the town and the results show that the water is in a most satisfactory condition. One frequently hears rumors, which seem to emanate from authoritative sources that the operating of the Drummond iron mines will shortly be resumed, and this will serve to increase the advancement of the town. Bathurst has accomplished much during the

present year and her enterprising citizens are looking forward to still further development during 1917."

TOTAL ENLISTMENTS IN CANADA 381,438

Ottawa, Dec. 18.—Total enlistments in Canada up to the end of last week were 381,438. The figures for the last fortnight were 3,274, as compared with 5,500 for the whole of November. By divisions the enlistment totals were: London, 264; Toronto, 567; Ottawa, 1,000; Kingston, 630; Maritime Provinces, 283; Manitoba, 421; British Columbia, 314; Saskatchewan, 219; Alberta, 201.

CUNARD LINE

CANADIAN SERVICE.
HALIFAX-LONDON-PASSENGER SERVICE
From London to Halifax via Plymouth
Dec. 20 ASCANIA Dec. 23
Dec. 16 AUSONIA Jan. 4
Cabin and Third Class.
For information apply
THE ROBERT REFORM CO., LTD.
General Agents, 162 Prince William
Street, St. John, N. B.

CANADIAN GOVERNMENT RAILWAYS

XMAS AND NEW YEAR HOLIDAY.
Single First Class Fare
Joining Dec. 23, 24, 25. Returning Dec. 26.
Joining Dec. 30, 31, January 1. Returning January 2, 1917.
Fare and One-Third.
Going Dec. 21, 22, 23, 24.
Going Dec. 28, 29, 30, 31.
Returning January 3, 1917.

ELDER-DEMPSTER LINE

SOUTH AFRICAN SERVICE
FROM ST. JOHN, N. B.
S. S. PATANI December 30
Cold storage accommodation on each vessel. For freight, Rates and full particulars apply to
ELDER DEMPSTER & CO., LIMITED,
133 Board of Trade Bldg., Montreal,
or J. T. Knight & Co., St. John, N. B.

HEAD LINE.

St. John to Belfast.
S.S. Ramore Head Dec. 16
S.S. Bray Head Dec. 30
St. John to Dublin.
S.S. Torr Head Dec. 15
S.S. Bengora Head Dec. 23
Dates and steamers subject to change.
WM. THOMSON & CO., LTD., Agents, St. John, N. B.

FURNESS LINE.

From London to St. John
Nov. 21 Messia
Dec. 2 Kanawha
Dec. 22 Sachem
Jan. 9
Dates subject to change.
WILLIAM THOMSON & CO., LTD., Agents, St. John, N. B.

MANCHESTER LINE.

From Manchester to St. John
Nov. 18 Manchester Citizen Dec. 13
Nov. 25 Manchester Port Dec. 9
Dec. 23 Manchester Inventor Dec. 30
Dec. 23 Manchester Corpora Jan. 13
Dec. 30 Manchester Shipper Jan. 23
Jan. 13 Manchester Citizen Feb. 7
Steamers marked * take cargo for Philadelphia.
WM. THOMSON & CO., LTD., Agents, St. John, N. B.

Eastern Steamship Lines.

All-the-Way by Water.
INTERNATIONAL LINE
Steamship "North Star."
Leaves St. John Thursdays at 9:00 a. m. (Atlantic time); for Eastport, Lubec, Portland and Boston.
Return, leave Central Wharf, Boston, week days at 9:00 a. m. for Portland, Eastport, Lubec and St. John.
MAINE STEAMSHIP LINE.
Between Portland and New York. Passenger service discontinued for the season. Freight service throughout the year.
METROPOLITAN STEAMSHIP LINE
Direct between Boston and New York. Express passenger and freight service throughout the year. Route via Cape Cod Canal.
Steamships Massachusetts and Bunker Hill leave North side India Wharf, Boston, week days and Sundays at 8 p.m. Due New York 7:30 a.m. Same service returning.
City Ticket Office, 47 King street.
A. C. CURRIE, Agent, St. John, N. B.
A. E. FLEMING, T. F. & P. A., St. John, N. B.

The Maritime Steamship Co., Limited.

On March 3, 1916, and until further notice the S.S. Connors Bros. will run as follows: Leave St. John, N. B., Thorne Wharf and Warehousing Company, Ltd., on Saturday, 7:30 a. m., daylight time, for St. Andrews, N. B., calling at Dipper Harbor, Beaver Harbor, Black's Harbor, Back Bay or L'Etete, Deer Island, Red Store or St. George. Returning leave St. Andrews, N. B., Tuesday for St. John, N. B., calling at L'Etete or Back Bay, Black's Harbor, Beaver Harbor and Dipper Harbor. Weather and tide permitting.
Agent—Thorne Wharf and Warehousing Co., Ltd., Phone, 2851. Mr. Lewis Connors.
This company will not be responsible for any debts contracted after this date without a written order from the company or captain of the steamer.

GRAND MANAN S. S. CO.

After Oct. 1st and until further notice S. S. Grand Manan leaves Grand Manan, Mondays 7:30 a.m., for St. John, returning leaves St. John Wednesdays 7:30 a. m., both ways via Campbellbell, Eastport and Wilson's Beach.
Leave Grand Manan Thursdays 7:30 a. m., for St. Stephen, returning Friday 7 a. m., via Campbellbell, Eastport and St. Andrews, both ways.
Leave Grand Manan Saturdays 7:30 a. m., round trip St. Andrews, returning 1 p. m., both ways via Campbellbell and Eastport.
Atlantic Standard Time.
SCOTT D. GUPTILL, Mgr.



MURAD CIGARETTES

TO-DAY—

at this very hour—more smokers are trying Murads for the first time than all other high-grade cigarettes combined.

Almost 100 per cent of these new Murad smokers continue Murad smokers.

What is happening to-day has happened every day since Murads were first introduced.

What is responsible for this?

Not advertising—Quality!

And the endorsement of Murads by one smoker to another, from coast to coast.

Smokers

Everywhere—Why?

Cor

ALBERT, Dec. 14.—A picnic held in the Assen Consolidated School building evening proved to be most classy function of the premises. The program consisted of—The Male quartette—The

Recitation—Santa Claus by Little Salome M. P. Piano solo by Miss Recitation—The Miss J. Helen Tingley. Reading—Dad and Charters.

Violin Duet—Mrs. H. Mrs. Kathleen Prescott. Flag drill—A dozen boys. Male quartette—The Solo—Miss Kathleen. The entertainment was enjoyed by the audience.

ing recitations and rendered, the accompanying Kathleen Stevens on the Flag Drill was highly enjoyed by the audience.

After the entertainment sale of baskets and p. M. D. Fullerton aroused rivalry in the young a pitch that food prize above anything ever community before, and stances exorbitant prize with the hope of luring charming girl whose posed to be in the mistaken, and cruelly poor chap.

The proceeds of the were highly satisfactory ray, the chairman of Trustees presided in his manner, and announced raised would be used of a typewriter for use during the next term.

ment by the well known Mr. Luther R. Hetherington scholars could take a course, including typewriting with their other move by the principal, seconded by the school be sincerely appreciate the parents and scholars.

Mrs. George D. Press been ill for some time a gripe is recovering friends will be glad to again.

Miss Henrietta Stiles quite ill requiring her doors for some time, but progressing satisfactorily out-going will soon begin.

Mr. Arthur Fillmore severely with frost bite ago, is making a satisfactory, under the very of total attendance of Dr. of his toes or fingers amputated, and only the hand will be lost. Warm friends who will him out around at his again.

Mr. Frank Fillmore in Amherst for several again. Mrs. Walker V spending a short time of her mother-in-law, Mr. more.

The lumbermen in the section of the Albert pan's territory are making progress in their work.

HOPEWELL

Hopewell Hill, Dec. phy of Maine has been her sister Mrs. Ludlow days.

Mrs. Wilson, wife of the Bager of the N. B. Riverside, came last week to take up her residence in Boston and New York.

Miss Nellie Newcomb from a six weeks visit. Miss Sara Smith came from St. John, where she is doing the business college Christmas with her father Smith.

For Christmas Ripe, Juicy, S. Oranges, B. to last all year, them every day, your dealer now.

Sunk

Uniformly Orange California Fruit Growers