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TEN PAGES—ONE CENT

Steps To Get Back \$100,000 From J. K. Flemming; Prosecution of Tennant, Nagle, MacDonald And Lindsay Asked For By The Honorable W. P. Jones

Possibly Additional Charge Against W. B. Tennant

STRIKING SUMMING UP IN THE VALLEY RAILWAY INQUIRY

The Evidence Reviewed In Masterly Fashion—Reference To A Master Mind As Directing The Whole Business—The Temerity Of Geo. B. Jones In Taking That \$20,000 To Office Of Crown Official Of The Day—Premier Foster's Determination

Sensational developments marked the close of the Valley Railway inquiry, which was brought to a conclusion at a final session held this morning in the council chamber of the court house before Commissioner Stevens.

The entire session was devoted to the summing up by Hon. W. P. Jones, K.C., who succeeded Hon. F. B. Carvell as counsel for the provincial government, and who has been assisted by Peter Hughes.

Besides a careful review and analysis of the evidence, Hon. Mr. Jones' address contained several important announcements and recommendations.

He informed the court that it would not be necessary to go further into the matter of the first contract on account of evidence having been given by A. R. Gould before another court that he had paid \$100,000 to Hon. J. K. Flemming, then premier of the province in consideration of the latter's agreeing that the provincial government would guarantee the bonds of the Valley Railway. Mr. Jones pointed out that the province is entitled to this money, but that Mr. Flemming had converted it to his own use, and that the attorney-general has undertaken to secure the return of the amount and to institute proceedings in the chancery court, if the money is not refunded promptly.

After reviewing the circumstances under which tenders for the second railway contract were submitted; Mr. Jones charged that the evidence plainly showed a conspiracy, and suggested that the commissioner recommend that indictments on the charge of conspiracy be found against W. B. Tennant and Thomas Nagle of this city; Hamilton Lindsay, managing director of the Nova Scotia Construction Company, and Alexander K. MacDonald, of Kennedy & MacDonald, who also tendered.

Another indictment was asked for by the counsel for the government, this being against W. B. Tennant, under the provisions of the election act, on the grounds that Mr. Tennant, while a contractor to the government, had contributed to campaign funds, and also that he had secured money by representing that he had influence with the government.

Hon. Mr. Jones informed the commissioner that he had the assurance of Hon. W. E. Foster, premier of the province, that his government would take all possible steps to secure the punishment of those who conspired against the people of the province.

This dramatic conclusion of an inquiry, marked by many startling features, sets a new standard in provincial politics. The previous government permitted an investigation, but took no action on the evidence secured, and there is no previous record on any New Brunswick government undertaking to secure the punishment of men for offences which, in the past, have been classed as political. The evident determination of the government to take action to secure the restitution of moneys so diverted, and the punishment of those responsible for graft and corruption in itself is sufficient to justify the election of a reform administration and to show how well worth while has been the time and money spent in the investigations.

MR. JONES' ADDRESS.

Mr. Commissioner: We have decided not to offer any evidence in addition to that which has already been laid before you. We do not consider it useful or necessary to trace the railway money which passed through Mr. Tennant's hands and became part of the huge campaign fund, any further towards its final destination. It would involve a very considerable expense and expenditure of time to show how this money was distributed in each one of the counties of the province until it finally reached the hands of the voters; and however interesting such an investigation might become, it seems to us that the benefit derived therefrom by the public would not justify the expense. We have already shown that the money was used for campaign purposes generally throughout the province.

Your commission, whereby you are authorized to investigate all acts done by any of the directors of the St. John & Quebec Railway Company since the first day of January, 1912, would empower you to deal with the making of the first contract between the province and the railway company. This was negotiated by Mr. J. K. Flemming, then Premier of the province, on behalf of the Company, on behalf of his company; but in view of certain testimony which has recently been given before His Honor the Chief Justice of the King's Bench Division, we will not have to ask you to enter into a consideration of the circumstances affecting that contract.

THE ORIGINAL CONTRACT.

You will remember that by legislation the government of the province was authorized to guarantee the bonds of a railway company for a railway between Grand Falls and St. John, to the extent of \$25,000 per mile; and that the St.

Many Met Death In One Building

Two German Bombs Struck Shelter in London—Raid of Last Night Was a Failure

London, Jan. 30.—A large number of persons killed in Monday night's air raid, according to the Central News, met their deaths in a building, the basement of which was used as a shelter. It is believed that two bombs struck the buildings as the walls were blown out in large sections and all the floors collapsed. In addition to the persons from the outside being sheltered in the building there was a large number at work at the time of the raid. This accounted for the serious mortality. Although a number of bodies have been recovered, it is feared that others are still buried in the debris.

One of the touching incidents in connection with the raid was the death of a minister, who, whenever raid warnings were given, had been in the habit of visiting various shelters. Monday night he was addressing people who had collected in one shelter when a bomb dropped on it, killing the minister and a number of others.

The Central News says that twenty-nine bodies have already been recovered from one building. Firemen and soldiers are still pouring water on the burning debris. Many bodies were buried most severely. Among the number was that of a woman who still clasped two small children to her breast.

The success of the British airman against the German invaders in Monday's raid has caused discussion in some quarters that a heavy barrage over London during a raid is rather more harmful than helpful. It is said that the air board should give the airman a clear field in dealing with the raid, instead of employing gunnery which caused damage to property and some casualties through falling shrapnel.

London, Jan. 30.—German airmen, as far as could be learned early today, failed last night to penetrate to the heart of London. Bombs, however, were dropped in the suburbs.

The enemy raiders during the past two nights did not succeed and apparently did not attempt to bomb any military objectives. They merely attempted to kill civilians and a majority of the victims, as usual, were women and children.

London, Jan. 30.—About fifteen airplanes took part in last night's raid. One of them dropped bombs in the northwestern district. There were no casualties reported in the raid. This raid appears to have been checked by the combined activity of airplanes and anti-aircraft guns, which kept the raiders from the heart of London. Conditions for the raid were as favorable as those on Monday night. The sky was clear and there was little wind.

DATE NOT SET FOR NEXT DRAFT OVERSEAS FROM UNITED STATES

Washington, Jan. 30.—Expansion of America's fighting forces beyond their present strength depends upon such factors as events abroad and the shipping situation, said Secretary Baker last night in disclosing the war department has not fixed a date for another draft, nor even determined how many new men should be called.

When Mr. Baker told the senate military committee that the United States would have half a million men in France early this year, and, in all, a million and a half could go across if ships could be found to carry them, he referred to the divisions now in training camps and those already in Europe. Future developments will decide what additional forces will be sent.

FIVE STANDARDS OF BREAD

Ottawa, Jan. 30.—A committee of bakers which has been discussing with representatives of the food controller's office proposals to enact regulations providing for five standards of "standard bread" from the standard four now being milled in Canada has completed its work. Its recommendations will be farther considered by a small committee and the food controller, after which the regulations will be promulgated.

It is understood that it is proposed to provide for not one standard loaf for Canada, but five standards.

An additional water-front guard of 100 policemen in plain clothes went on duty today in New York to protect docks and shipping.

John & Quebec Railway Company was incorporated for the purpose of constructing the railway, with power to accept the guarantee of bonds and to enter into a contract with the government for the building of the road. The record of the proceedings before the Chief Justice shows that Mr. Flemming, representing the province, and Mr. Gould, representing his company, after the dominion government had granted a subsidy and had also agreed to enter into a lease of the railway after completion for the term of ninety-nine years, and pay as rental therefor, forty per cent. of the gross receipts, made a contract whereby the province agreed to guarantee the first mortgage bonds of the railway company and Mr. Gould, amongst other stipulations for such guarantee, agreed to pay to Mr. Flemming the sum of \$100,000 in cash. The bonds were guaranteed, the dominion granted the subsidy, an agreement to lease by the dominion was entered into with the province and the railway company, and \$100,000 was paid by Mr. Gould to Mr. Flemming, after which the railway company entered upon the construction of the railway.

Mr. Flemming, after receiving this money, did not deposit it to the credit of the provincial treasury, but kept it, and disposed of it to his own use. Although many documents were drawn, evidencing what the public supposed to be the real contract between the parties, no mention whatever was made of the cash in charge of Mr. Gould's company, and in fact it did not become publicly known that there had been any cash payment until Mr. Gould gave evidence thereof in the arbitration proceedings before Chief Justice McKenna.

We have brought this matter to the attention of the Attorney-General, who will at once demand restitution, and if Mr. Flemming does not pay over the amount, will take action in the courts for its recovery. If the testimony of Mr. Gould is true, and there has been no repudiation of it by Mr. Flemming, then it would seem clear that a court of chancery would declare Mr. Flemming to be a trustee in respect to that money for the people of this province and would order him to pay it back to the province. (Continued on page 7)

MORE STRIKES IN GERMANY ARE REPORTED

Men of Torpedo Factory And of Dockyards

ONE CORRESPONDENT CAUTIOUS

Warns Against Exaggerated Idea of Importance of Uprising—Another Report Declares Workmen of 40 Factories Have Gone Out

London, Jan. 29.—A despatch to the Exchange Telegraph Company under date of January 28 says that a thoroughly trustworthy report from Kiel declares the workers in the torpedo factory at Friedrichsort struck work on Friday afternoon. In consequence some of the men's leaders are being called to join the army. The despatch adds that the employees at the Germania dockyards also struck yesterday.

London, Jan. 30.—While some morning newspapers print with much prominence dispatches from Holland and Switzerland representing the strikes in Germany as being on a great scale and very serious, the Rotterdam correspondent of the Daily News writes against an exaggerated idea of the size and importance of the industrial uprisings. He says newspaper reports that the workmen in forty war material factories in Berlin have struck and that many strikes elsewhere have been accompanied by grave disturbances.

The Daily News correspondent says that the cessation of work in Berlin apparently was not general. The central committee of the metal unions intended a general strike, but according to the latest information reaching the correspondent in Rotterdam, this was revoked after the speech made by Dr. Von Kuehlmann, the foreign secretary, with which the labor leaders were satisfied temporarily. The correspondent says that the strikes which occurred consequently, were sporadic. In many cases, he adds, the trades unions committees made demands very mild in character. The demands were: "First—An answer by the German government to the speech made by Premier Lloyd George to British labor unions. "Second—A statement on German war aims in the west. "Third—Direct representation of the working classes in the peace negotiations proportionate to the representation of capitalistic interests. "Fourth—No further postponement of Prussian franchise reforms."

NOTICE IT AT LAST.

Mexico City, Jan. 30.—(By Mail)—German propaganda at last has reached the military cross. Lieutenant J. D. G. Brendel, aged twenty-six, Flying Corps, a Canadian, was killed by falling 6,000 feet into the River Mersey.

The following Canadians are prisoners of war—A. Corfield, E. Clark, R. Gray and R. Higgins. The military medal has been awarded to J. K. Brennan of the Durhams, a Quebec man.

ON THE BRITISH FRONT

London, Jan. 30.—"Last night one of our patrols successfully attacked a German post northeast of Havrincourt and killed or took prisoner a number of the enemy's garrison," the war office reports. "Further casualties were inflicted on the enemy in patrol encounters in the neighborhood of Bailecourt, where we captured a machine gun."

"Early yesterday the enemy attempted a raid on one of our posts south of the River Scarpe (Arras area) under cover of a heavy barrage. The raiding party was repulsed with loss without entering our trenches."

On Monday British airmen dropped 400 bombs on Roulers, Meun and the airfield near Tournai. Several thousands rounds were fired at enemy troops. Two hostile machines were shot down and six brought down out of control. Three British machines are missing.

During the night of Monday-Tuesday six tons of bombs were dropped on enemy billets, railway stations and trains and sidings.

The dismissal of the Russian consul-general in New York and the appointment of John Reed to succeed him is reported. Reed is probably an American newspaper man who has been in Russia since last November.

Collision In Channel; British Gunboat Sinks

London, Jan. 30.—The British torpedo gunboat Hazard, 1,000 tons, was sunk in the English Channel on Jan. 28 as the result of a collision. The admiral announced this last night. Three men were lost.

ASSESSMENT SHOWS AN INCREASE OF \$70,549

That Part Controlled By Council is Reduced \$12,000; Total of \$1,096,546; Further Discussion of Grants

At a meeting of the common council this morning a request for a grant of \$500 for the Anti-Tuberculosis Society made by J. A. Lacey, A. C. Russell, the amount was the same as last year. Commissioner McLellan moved that it be granted. This was seconded by Commissioner Wigmore and unanimously passed.

Mayor Hayes then spoke about the request for a grant of \$1,000 by the Young Women's Christian Association. He said he had made some enquiries and learned that it was non-sectarian and that it was permitted to become members. Commissioner McLellan said that he had also made enquiries and learned that Catholic young women could affiliate, but could not hold office. He said, therefore, that it was denominational and he opposed this grant if it was to be the same as last year.

Major Hayes then presented a financial statement showing a comparison between the assessment this year and that of 1916 and 1917. He said that the assessment this year for purely city purposes, or what the council could directly control, was more than \$12,000 less than last year. The additional amount assessed by the school board brought up to the general assessment. The figures are:

	1916.	1917.	1918.
Lights	\$80,036.57	\$83,032.38	\$82,952.38
Police	59,488.18	67,514.29	68,679.11
Fire	78,854.26	80,015.87	88,028.94
Fire Hydrants	10,200.00	10,200.00	10,200.00
Streets	17,340.00	17,340.00	18,667.86
Sewerage Maintenance	118,751.00	138,258.69	150,467.86
Public Works	1,340.00	1,340.00	1,340.00
Permits	6,631.40	27,096.76	68,281.88
Libraries	5,712.00	6,471.00	6,508.00
Exhibition	612.00	612.00	612.00
Interest and Sinking Funds	57,104.47	76,812.00	80,540.00
Grand Total	\$1,115,000.00	\$1,160,000.00	\$1,200,000.00
Unexpended Balances	12,728.54	10,987.18	10,987.18
British Red Cross	5,125.00	5,125.00	5,125.00
Schools	\$901,280.98	\$485,737.30	\$478,715.82
County Purposes	\$194,271.68	\$203,938.19	\$265,988.99
Patrols	178,262.44	183,836.82	213,694.81
Patrols	184,000.00	184,000.00	184,000.00
Patrols	\$867,634.12	\$850,370.01	\$922,830.70
Grand totals	\$728,915.00	1,025,967.31	1,096,546.02

A general discussion regarding the patriotic assessment then took place. Dr. J. B. Baxter, city solicitor, was present and explained the city's position in case certain procedure was carried out. The matter was set aside until a meeting of the council this afternoon.

CANADIAN AIRMAN FALLS 6,000 FEET INTO MERSEY

Lieut. J. D. G. Brendel Killed—Four Dominion Men Who Are Prisoners of War

London, Jan. 30.—Captain Eric Nicholl of the West Kents, killed, formerly served with the Canadians and won the military cross. Lieutenant J. D. G. Brendel, aged twenty-six, Flying Corps, a Canadian, was killed by falling 6,000 feet into the River Mersey.

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REVOLUTIONISTS IN FINLAND FORM A GOVERNMENT

Sweden Warned That There is no Guarantee for Safety of Her 400,000 Subjects

Stockholm, Jan. 30.—The Finnish revolutionists have formed a government under the presidency of Kullervo Manner, according to a telegram from Helsinki. The members of the Finnish senate were not notified by the revolutionists. On Monday night Helsinki was calm and the Russian soldiers were passive. Viborg also was reported quiet.

The Finnish government has notified Sweden that it cannot be responsible for the lives of Swedish subjects, of whom there are about 400,000 in Finland. Reports from Helsinki are contradictory.

All Southern Finland as far as Tampere, is reported to be in the hands of the Red Guard, but the government troops have vanquished the Red Guards at various places in Northern Finland.

The general strike continues at Helsinki and the Socialists are reported to have made common cause with the revolutionists.

BOSTON FEELS COAL SHORTAGE IN FULL EXTENT TODAY

Boston, Jan. 30.—The coal pinch was felt in its fullest extent here today with the enforcement of orders forbidding delivery to stores, offices or factories during the next forty-eight hours. The ban may be extended beyond the forty-eight hour period unless the prospects for rail and water shipments improve greatly.