

# The St. John Standard

VOL. XI., NO. 264.

TWELVE PAGES

ST. JOHN, N. B., WEDNESDAY MORNING, FEBRUARY 4, 1920

FAIR AND COLD

THREE CENTS

## SEC. DANIELS OF U. S. NAVY FAILS TO DEFEND HIMSELF AGAINST CHARGES OF ADM. SIMS

The Famous Order "Not To Let the English Pull the Wool Over His Eyes" Not Referred to in Testimony Before Committee.

### DISCUSSES AWARD OF SERVICE MEDALS

Emphatic Denial Given to Sims' Statement That Morale of Navy Had Been Shot to Pieces.

Washington, Feb. 3.—Taking up the question of Rear Admiral Wm. S. Sims, to the matter of naval medals, Secretary Daniels in his appearance today before the senate investigating subcommittee took direct and emphatic issue with the admiral. Flanked by voluminous records from the Navy Department, the Secretary went into detail in explaining changes he made in conferring decorations as recommended by the commanding officers of the navy, and by the Knight board of medals.

The Naval Secretary said the two chief differences between his views and the views held by Admiral Sims in the awarding of medals were a variance as to the importance of service at sea compared with service on shore and differences on the question of whether a distinguished service medal should be awarded under any circumstances to a commander of a ship sunk or seriously damaged by enemy submarines or mines.

Asserting that Admiral Sims while on shore duty both in the Spanish-American and World War "demonstrated ability of a high order," Secretary Daniels said, "the position of Rear Admiral Sims in placing shore duty above sea duty in the danger zone is, no doubt, influenced by his own record."

In support of his contention that a commander of a ship sunk or damaged by submarine attack was entitled to a medal if he showed proper qualifications even though his ship was unable to combat the submarine, Secretary Daniels cited numerous examples in American naval history and also pointed to instances of such awards by the French government during the World War. American naval history, he told the committee, was filled with precedent upholding his action in awarding the distinguished service medal to some commanders of ships sunk by submarines or mines.

Emphatic denial was made by the Secretary of Admiral Sims' statement that the policy followed in awarding medals had "shot to pieces" the Navy's morale.

"It is an insult to the splendid men of the Navy to say that the morale of the service has been seriously impaired by any question of awards to individuals," the Secretary said.

Secretary Daniels made no reference to the charge made by Sims that he had been instructed by a high official of the Navy Department, "Not to let the English pull the wool over his eyes."

## REVOLUTIONISTS ARE IN CONTROL OF VLADIVOSTOK

Washington, Feb. 3.—Revolutionists have entered Vladivostok and are in charge of the town, the War Department was advised today by Major-General Graves, commanding the American Expeditionary Force in Siberia. General Graves, who departed January 31, said the crowds in the city were orderly and that the Allied forces were patrolling the streets to protect innocent people and to prevent looting. The revolutionists' platform, the General said, declared for the end of civil war in Siberia and the interference by foreigners in the internal affairs of the country.

## M. CLEMENCEAU WARNED TO KEEP OUT OF EGYPT

Geneva, Feb.—One of the Egyptian nationalist leaders here, Dr. Abdul Said, has addressed a telegram to former Premier Clemenceau of France, requesting him not to enter Egypt or else leave the country as soon as possible. Otherwise, the telegram says, his life would be in danger.

Dr. Abdul Said accuses Clemenceau of joining the British against humanity and against Egyptian liberty and also condemns his foreign policy while premier.

## BIRTH RECORD HARD TO BEAT

Albany, Alabama, Feb. 3.—Six children, two sets of triplets within fifteen months, is the birth record of the family of Mr. and Mrs. Posey Livingston, of Albany. The second trio of children was born yesterday and all are well.

## INCREASE OF \$2,544,539.49 IN CAPITAL LIABILITIES OF PROVINCE DURING LAST YEAR

Also Balance Sheet, Published in Royal Gazette, Shows \$802,056 on the Wrong Side of Current Ledger—But Mr. Veniot Still Has \$537 to Spend on His Permanent Roads—Auditors Make Curious Comment on a Contingent Liability Amounting, "As Far As Can Be Ascertained," to \$1,117,000—Government Capitalized Big Interest Accounts, But Still Had Bank Overdrafts of More Than One Million.

That the capital liabilities of the Province were increased by \$2,544,539.49 is shown by the Royal Gazette, which contains the usual statement of capital assets and liabilities. Then the balance sheet showing current assets and liabilities throws a new and extraordinary light on the Government's methods of bookkeeping. Here we have under the head of DEFICIT the following items: Balance as at October 31, 1918 . . . . . \$474,370 Add deficit on Revenue Account for the year ending Oct. 31, 1919 . . . . . 327,686 This makes a matter of \$802,056 on the wrong side of the current ledger.

Then there appears under the head of current liabilities a note of unusual interest, apparently appended by Price & Waterhouse. The note says:

"A Contingent Liability exists in respect of Bonds guaranteed by the Province amounting, as far as can be ascertained, to \$1,117,000.00.

"In addition to Guarantee Deposits in Cash included in the Trust Funds, Stocks and Bonds of a par value of \$176,500.00 and assignment of certain mortgages were held by the Province in trust at Oct. 31, 1919.

"Claims in respect of Maintenance and Construction work have been filed by certain Railways operating railways leased from the Province, but in respect of which the liability of the Province, if any, has not been determined."

Government Ignores the Law.

When the Government organs published the statement admitting a deficit of \$327,686 on current account they evidently thought they had gone far enough, and did not publish the statement of Capital Assets and Liabilities which, with the current balance sheet, reveals a depressing condition of affairs. The Royal Gazette bears the date of Friday, January 30, and copies, though refused The Standard, were apparently sent to The Telegraph by the late train Saturday evening. It was made available by the public four days after the date fixed by Act of Legislature as the limit.

The increase in the capital liabilities is enormous, and will require a deal of explaining. Where the money has gone is a good deal of a mystery. Hon. Mr. Veniot stated in Boston the other day that \$7,000,000 had been spent on the roads of New Brunswick in the last few years, but if so the roads show no particular evidence of such a great expenditure.

Capital Liabilities.

The capital liabilities of the Province on Oct. 31, 1918, amounted to the sum of \$19,697,897.26. On Oct. 31, 1919, they stood at \$22,241,936.75, an increase of \$2,544,539.49 in one year; an extraordinary increase in view of the fact that so far as the public know the Government has not undertaken any public work of importance during the year.

The Veniot-Foster Government is apparently determined to go the limit, and leave a name in history as the greatest aggregation of money spenders which ever mismanaged the affairs of an unfortunate Province. They not only swallow current deficits in capital account, but they are paying interest out of capital. According to a note made by the chartered accountants, "an amount of \$244,807, representing interest charges on the bonds and other indebtedness of the St. John and Quebec Railway, less the Province's proportion of the railway's earnings, has been capitalized."

Mr. Veniot Still Has \$500 to Spend.

When Mr. Foster came to power he was going to have no more deficits, and no more bank overdrafts. But with a great increase in revenues his Government has been squandering money till it apparently has abandoned all hope of straightening out its tangled affairs. What great business ability has been brought to the task of running the financial affairs may be judged from the fact that the statement of capital assets shows that at the close of the fiscal year the Government had available for expenditure on permanent public works the sum of \$337,430—certainly not an amount which would suffice to keep Mr. Veniot busy for very long.

Under current assets the Government has two sums aggregating \$25,000 in cash in banks, but they are held on trust accounts. The Government closed the year with bank overdrafts amounting to \$1,058,494, or about two-thirds of the total revenue for the year.

It is rather extraordinary that the Government organs did not publish the capital statement and the current balance sheet, the latter of which shows that there was juggling of the accounts at the close of the previous fiscal year. If the Government had any plausible explanation of the huge increase in the capital liabilities or the surprising balance sheet of current assets and liabilities it would have hastened to give it to the public through its organs.

Mr. Veniot gave The Telegraph an interview defending his over-expenditures on current account, but on the even more serious matter of adding a capital burden of over two and a half millions upon the Province he remained silent. Did his powerful and agile intellect balk at the task of trying to explain the capital accounts?

Probably it will be left to the business man of the Government to explain the public accounts in their entirety. The statement of capital assets and liabilities appears on another page.

## ORGANIZED CLIQUE RUNS U. S. GOV'T

U. S. Congressman Opens up on Labor Organizations Headed by Sam Gompers.

Washington, Feb. 3.—Six thousand strikes occurring during the war were

## PUBLIC STARRED BY REVELATION OF FOSTER GOV'T

Startling Admissions of Provincial Government's Inability to Handle Business Matters Awakens Interest in Affairs Political.

### NO PROMISE OF RETRENCHMENT

The Wild Race to See Which Department Can Spend the Most Money is Going Merely on This Year.

Special to The Standard

Fredericton, Feb. 3.—The startling admission by the Foster Government of a deficit of over \$327,000 on the past year's operations has awakened an interest in affairs political. People who have not paid any particular attention to politics for months have been made to sit up and take notice by the admission of a deficit almost as large as the whole territorial revenue of this province a comparatively few years ago. Returned soldiers and others, who seemed to have lost all interest in politics, have been stirred by the serious state of affairs, and the opinion is generally expressed, even by those who are regarded as friendly to the present administration, that the situation demands the serious attention of the people of New Brunswick.

How much worse the situation actually is than the Government's statement admits is the much discussed problem, and one which will, doubtless, have to remain unworked until the lid is lifted when the session of the legislature gets underway. That the real deficit is more than a half million dollars seems to be generally accepted, the only question is how many more hundreds of thousands of dollars must be added before the actual figures are reached.

Half Not Told.

It is intimated that a large percentage of the amounts expended and charged to permanent roads will be found to have been from the other account, the Public Works. The department found itself hopelessly over whelmed with overdrafts in all its branches. Miles upon miles of roads of the most flimsy character, some of which have already been washed away, and large portions of which will disappear entirely from view with the conditions that come with each succeeding spring, are believed to have been improperly charged to permanent roads accounts when their classification does not in any way justify the expense. Some of the roads are believed to have been improperly charged to permanent roads accounts when their classification does not in any way justify the expense. Some of the roads are believed to have been improperly charged to permanent roads accounts when their classification does not in any way justify the expense.

Weak Knead Administration

Meanwhile, there is no sign of any policy of retrenchment, and the wild race to see which department can expend the Province's money the most freely has been going right on for nearly half of the fiscal year, and the country, if it could only realize it, faces another deficit that cannot be short of half a million dollars more when another list rolls around. If Foster had had enough courage to have the stampage figures remain at what he and his Government once set the charges, New Brunswick would have had a surplus for the past year in spite of the vast expenditures, declared one careful student of the Provincial situation today. "Instead of spending by their guns, Premier Foster and his colleagues backed down when the lumber interests cracked the whip. The outcome is that New Brunswick lost more than \$600,000 last year alone that would have come into the treasury of the Province in territorial revenue. That is the explanation of the deficit, and the long wishy-washy articles in the St. John Telegraph will not deceive the people. The lack of courage on the part of Mr. Foster and his Government to charge a fair stampage is responsible for the present chaotic state of New Brunswick financially."

## "BLACK" MYSTERY LOSES ITS CARGO

U. S. Gov't Pounces Upon Strm, Yarmouth and Seizes \$4,800,000 Cargo of Whiskey.

New York, Feb. 3.—United States officials today seized the Black Star liner Yarmouth and her \$4,800,000 whiskey cargo. The Yarmouth is the mystery ship that sailed for Havana the day before the Prohibition amendment came into effect, but back for repairs, and had been loading cargo of bottles ever since. The negro owners will seek an injunction to prevent the authorities from removing the whiskey. Captain Cockburn said when he sailed from here originally with his alcoholic burden, the ship began to list to starboard two days out and they had to throw five hundred cases overboard and come back.

## To Prosecute Men Who Made False Claims For Emergency Funds

Ottawa, Feb. 3.—(Canadian Press)—Investigations are under way, it is understood, with a view to the prosecution of men who are alleged to have made false claims for assistance from the \$40,000,000 special emergency fund voted for returned men last season. Advice received here indicates that the claims, alleged to be fraudulent may number several hundred. The grants are made primarily to assist men out of employment, and it is stated, when the full returns are available, they will be found to show a better condition of affairs among returned men than had been anticipated. If a proposal under consideration is adopted, a time limit to the making of claims on the ground of unemployment will be imposed. The end of March is tentatively suggested as this regard.

## PREMIER BORDEN REACHED LONDON YESTERDAY

Announced That His Visit Would be Strictly Private—New York Despatch States He is Expected There Very Soon.

London, Feb. 3.—(Canadian Press)—Sir Robert Borden, Prime Minister of Canada, landed at Portsmouth today with Lord Jellicoe from the battle cruiser New Zealand and will proceed to London. It was announced that his visit would be strictly private.

The Premier was met by Sir George Perley and the two proceeded to London together. The Premier's stay here will probably be very short. He looks fairly well and everyone will doubtless respect his desire for complete quiet.

When Sir George Perley was asked to confirm the news of the Premier's arrival, he replied: "If he is here, he is not here officially, and these despatches do not help him to get well."

A despatch from New York earlier today said that Sir Robert Borden was expected in that city almost at once. It is understood that the voyage of the warship New Zealand on which the Premier sailed, has latterly been tempestuous.

## NEW BRUNSWICK FARMERS HOLDING THIRD ANNUAL

Report of Secretary Shows the Number of Branches and Membership Have Doubled Since Last Meeting.

Special to The Standard. Woodstock, N. B., Feb. 3.—The third Annual Convention of the United Farmers of New Brunswick is being held here, and will close on Thursday night. Nearly all the Provincial officers are present. The attendance this morning was small, as over 100 delegates were held up on the train somewhere. T. W. Caldwell, M. P., presided and delivered a brief address. N. E. Phillips reported on the organizing work in the Province, and C. Gordon Sharpe spoke on the method of conducting branches.

The remainder of the morning was devoted to changing and ratifying the changes in the new constitution. One of the changes is that women are placed on the same standard as men and are allowed three directors. The mode of elections has been changed. There will be an organizing director in each county, chosen by the branches in the county. The officers will be elected at the annual meeting, and the five directors at large chosen by the officers and the organizing directors.

This afternoon the attendance was much larger. Roderick McKenzie, of the Canadian Council of Agriculture, was the principal speaker. Other speakers were Mr. Aitken, of Havelock; Frank Riley, of Melrose; Mr. Wallace, representing the labor organizations of Halifax; Messrs. Fisher and Bishop, of Nova Scotia.

C. Gordon Sharpe, the Provincial Secretary, reported that in 1919 there were 49 branches and 3,800 members, while in 1920 there were 100 branches and 7,000 members. There was a credit balance of \$2,000 in the bank.

This evening Mr. J. C. Cook, of River Charles, presided. The first speaker was Mr. Pratt, an organizer from the West, and he was followed by Mrs. C. A. King, of Woodstock, who spoke on woman's place in organized agriculture. A telegram was received this evening from J. J. Morrison, of Toronto, stating his inability to be present owing to sickness in the family. The election of officers will take place tomorrow morning.

## Improvement Reported In Chicago Influenza Epidemic

Chicago, Feb. 3.—Improvement in the influenza epidemic was reported today by Health Department officials, with a considerable reduction in the number of cases. During the twenty-four hour period yesterday only 802 new cases were reported, while deaths from the disease dropped to 89. Sixty-nine deaths from pneumonia were recorded, with 174 new cases.

## HON. MR. DOHERTY LANDS HEAVILY ON MR. DEWART

Thinks a Man of Dewart's Limited Intelligence Could Ascertain Facts if He So Desired.

Toronto, Ont., Feb. 3.—Hon. Manning Doherty, replying to H. H. Dewart's reference to himself in East Kent, yesterday, issued a statement today as follows:

"The newspaper reports of Mr. Dewart's speech would indicate that he made the statement that a contracting firm with which I am connected carried on operations during the war to the extent of millions of dollars, and that I, therefore, was in a class absolute falsehood. I have never had any connection, whatsoever, direct or indirect, financial or otherwise, with any business except my farm since the outbreak of war. I am very proud of the record which I made during the three years that I was manager for the Maritime Dredging and Construction Company, Limited. The Minister of Public Works for Canada, speaking in St. John in 1914, stated that the experience which his department had had with the company of which I was manager was almost unique in the history of Canadian public affairs. He had completed a contract amounting to nearly a million dollars, six months ahead of time, and had never asked for a single change in the specifications, nor had we asked for a single dollar of extras. Even a man of the limited intelligence of Mr. Dewart could have ascertained these facts had he been honestly disposed."

## RALSTON ELECTED MAYOR OF AMHERST

Ladies' Vote Saved Day for the Successful Candidate—One Labor Candidate on Council Board.

Special to The Standard. Amherst, N. S., Feb. 3.—E. W. Ralston, father of J. L. Ralston, Lieut.-Colonel of the 85th Battalion, defeated C. D. Shipley in the Mayor's election today by a majority of ninety-five.

Mr. Ralston was elected by the female vote. No great excitement was attached to the elections, although the ladies' vote rather altered the complexion of affairs. Mr. Shipley had a large majority in the two men's booths, but the votes polled by the ladies turned him down. As councillors Edward Knight, Fred Leaman and C. V. Wood were elected. Mr. Leaman was the only man on the local labor ticket to be elected. The other candidates were Lewis Smith, W. A. Lowerison and E. M. Wilband. The figures for the election were as follows: B. W. Ralston, Mayor, 817; C. D. Shipley, 722; Councillors as follows: Edward Knight, 833; Fred Leaman, 851; C. V. Wood, 655; A. Lowerison, 611; E. M. Wilband, 584; Love Smith, 557.

## DR. SOLF NOT WANTED AT TOKIO

Berlin, Feb. 3.—The Zwoelf Uhr Blatt asserts that Japan has intimated to the German government that Dr. Solf, former secretary for the colonies, will not be persona grata as Germany's representative at Tokio.

The Kreuz Zeitung says that similar difficulties are being raised in Brussels regarding the appointment of Herr Landsberg.

## Farmers Urged To Oppose Class Divisions And Petty Conflicts

Quebec, Feb. 3.—The Agricultural Congress, for which upwards of five hundred farmers representing all branches of agricultural organizations have assembled here was officially opened in the Knights of Columbus hall tonight when addresses were delivered to the farmers by His Honor the Lieut.-Governor, Mr. Roy, auxiliary bishop of Quebec, representing Cardinal Begin; Sir Lomer Gouin and Mayor Levesque.

In the course of their addresses both the Lieut.-Governor and Mr. Roy sounded a note of warning and strongly urged that such an important class of society should practice prudence, moderation, justice and Christian charity, as opposed to class divisions and conflicts with other organizations.

## EXCHANGE RATE CONSIDERED BY FINANCIAL MEN

Conference Called by British Chancellor of Exchequer With View to Finding Remedy for Economic Collapse.

### URGE CURTAILMENT OF EXPENDITURES

Recovery from Economic Disorders Can Only be Achieved by Hard Work, Increased Production and Retrenchment.

London, Feb. 3.—Austen Chamberlain, Chancellor of the Exchequer, discussed with leading bankers, political leaders, and others this afternoon the situation that has arisen from the adverse rate of exchange. The greatest secrecy was maintained in connection with the proceedings, a report of which is being prepared for presentation to the cabinet.

An official report issued tonight shows that Mr. Chamberlain convened the conference for the purpose of discussing the recent memorial of bankers and others, to the Premier in favor of the calling an International financial conference.

The memorial explained that the memorial had not been prepared with special reference to the exchange situation, but was the outcome of a series of conferences held at Amsterdam a month ago with a view to finding remedies for the economic collapse in many parts of Europe. In further explanation of their views, they urged the imperative need of European countries bringing their expenditures within the compass of their revenue as the first condition of obtaining assistance through public or private channels and pointed out that once this was accomplished private credits would immediately become available.

No Parity Known.

A general exchange of views followed, and it was unanimously recognized that there was no parity in the existing financial and economic disorders, and that recovery was certain to be slow and could only be achieved by hard work, increased production and private and public retrenchment. Mr. Chamberlain promised to report on the matter to the cabinet tomorrow. He discussed the subject tonight with Premier Lloyd George who did not attend the conference.

Great Production Needed.

The fact that this is the first occasion the Labor leaders have been called into consultation with the government on questions of high finance has aroused considerable comment. It is supposed that the Ministers are seeking their aid in the project of stimulating the workers to increased production, the belief being that the United States is clamoring for British goods, especially textiles, which they can be produced in sufficient quantity, would provide a surplus after satisfying home demands, and this surplus could be exported to offset the adverse trade balance.

## HISTORICAL PAPER DISCOVERED IN AN OLD CABINET

London Times of October 3, 1798, Containing Lord Nelson's Official Account of Battle of Nile.

St. Catharines, Ont., Feb. 3.—While an old cabinet, an English family heirloom, was being shown today at the home of Mrs. Horace Whitten here, by a recent arrival from England, a small drawer was discovered in which there was a copy of the London Times of October 3, 1798, containing Lord Nelson's official account of the Battle of the Nile, which had been sent overland in custody of Captain Capel. The account was dated "Vanguard, Mouth of the Nile, August 3." The paper is in excellent condition.