

# CARVILL AGAIN SHOWS HIS BREED BY HIS CONDUCT IN THE ENQUIRY

Another day of abuse and blatant declamation—Commissioners finally remonstrate with him—B. H. Brown finishes his evidence—Next session of hearing in Fredericton, Monday.

(Continued from page 1)

Mr. Carvill then asked for the ruling of the commission on the question of the admissibility of the Prudential Trust Co.'s ledger sheets of account with the Quebec and St. John Construction Company.

Mr. Teed voiced his objection of the previous session. He objected to the whole account and also to certain items thereof going with the evidence. Then Mr. Carvill got up and made a statement to the effect that the account showed a loan on August 15th, 1912, of \$50,000 to A. R. Gould.

Mr. Markey said that Mr. Carvill was trying to put into the account that this money had been paid to A. R. Gould, that it was a loan to the construction company.

Mr. Carvill had a blow up and shouted that he didn't appreciate being charged with anything like that.

"Even don't lay yourself open to it," injected Mr. Teed.

The account was handed to the commissioners. Judge McKewen said that it showed the loan had been made to the construction company, but the check had been made payable to A. R. Gould.

Judge Wells said that it was plain to him that the loan was made to the company, the check may have been made payable to one of the individuals, the company not being incorporated.

"That might go in Montreal but it won't go in New Brunswick," shouted Mr. Carvill.

Mr. Carter—It might not go with the Telegraph, but the people of the province will see through it.

Mr. Stevens then, engaged in a lengthy argument the effect of which was that the construction company might have been formed for the purpose of what he described as "covering up" of "juggling of finances." He said that he believed the commission should have all the documents, accounts and accounts between the trust company and the construction company.

Mr. Markey—Then you'll be here until snow falls.

Mr. Carvill—Well, the climate is all right.

Mr. Carter said that it was a statement of preposition which Mr. Stevens advanced and which was virtually that the commission should have all the evidence offered whether admissible or not and sift it out later. The rules of evidence would have to be adhered to.

"That's perfectly right, Mr. Carter," said Judge McKewen.

Then the chairman said that if the money had gone into the road, everything was right and proper; if not it was a different matter.

Judge Wells said that his idea was that it made no difference whether the loan was made to Tom, Dick or Harry. The people have nothing to do with that. The question was whether the evidence was admissible or not.

Mr. Carvill started to interrupt to say something about the people.

"The people are all right," continued Judge Wells, "and you needn't worry about them. This is a question of the admissibility of evidence."

Mr. Carvill became white with rage at finding he was being ruled against. "You can't shut this off by splitting hairs," he shouted.

Chairman McKewen quickly remonstrated the domineering Mr. Carvill for his outburst. "You have no right to say that," declared the chairman. Commissioner Fisher at this stage asked Mr. Brown to whom he considered the Trust Company made the loan.

"The company," replied Mr. Brown, "unhesitatingly and unequivocally. The commission then formally announced their decision that the construction company's account with the Trust Company was not admissible as evidence."

Mr. Carvill then went on to ask who negotiated the loans and when they were made and whether the construction company was then organized.

Mr. Teed again objected.

"He knows what he is trying to shut out and I know it," howled Mr. Carvill.

"Is it anything about South African hay contracts?" asked Mr. Carter.

Mr. Carvill offered an halfhearted apology to Mr. Teed, who he said he always found to be a gentleman.

Mr. Teed said that it was very difficult

to be gentlemanly with the continual misrepresentation and overbearing manner of Mr. Carvill.

"You had better go on and present the facts," advised Judge Wells to Mr. Carvill.

"I'm representing the whole province," then shouted Mr. Carvill.

Interjection! Oh! Oh! by the lawyers for the defence.

"And I'll do so as viciously as I want to," added Mr. Carvill, who had worked himself up into terrible state of excitement.

"You won't show much more of that viciousness so far as I am concerned in accordance with the agreement," declared Judge Wells finally.

Mr. Carvill started shouting loudly again as to what he was going to do and was not going to do.

"There's no need of bellowing like that," interrupted Judge Wells. "No need at all for these offensive remarks of yours or for this offensive manner."

Commissioner Fisher added his reprimand for Mr. Carvill—These violent methods and talk," he said, "are only waiting a lot of time and doing no good." "The commission," Mr. Fisher continued, "had been very liberal in admitting evidence so as to have the ground covered, but Mr. Carvill had persisted in going over the same thing time and time again."

Mr. Carvill went on with his line of argument, but the chairman intervened and asked him to adhere strictly to the rules of evidence.

Mr. Stevens was getting under way with another of his speeches when the commissioners called a halt.

The commissioners then announced their decision. Judge Wells and Mr. Fisher ruled against having the evidence admitted. Judge McKewen being in a minority in favor of allowing Mr. Carvill to go on with his line of argument of the witness. Judge Wells in his decision said that it was not open to go into the account generally, but it was open to counsel to show what was paid from the funds which had their origin in the proceeds of the sale of the bonds.

Mr. Fisher in his judgment said that he was inclined to the view of Judge Wells. It was, he said, up to the construction company to show that the money which had been used to pay these loans had been diverted. The company had not shown this money and were now getting it back from the construction companies' earnings as their work progressed.

Judge McKewen held that the commission should hear the evidence as they were required to find out who diverted money and where they diverted them to.

Mr. Carvill then went on to ask as to the various advances which had been made and whether the construction company was organized and a going concern then.

Mr. Teed said the same principle was conceived in this as in the previous question which had been ruled out.

The commissioners conferred and this time the question was admitted. Mr. Fisher going over to Judge McKewen's view this time.

Then the witness said that when the \$75,000 was advanced the company's charter had been issued. Whether the company was organized or not he did not know.

Mr. Brown was making a statement as to the arrangement for the loan when Mr. Carvill objected.

Then Mr. Brown went on and told that the loans had been arranged by Messrs. Gould, Thompson, Leaman and Macdonnell.

Commissioner Fisher suggested that Mr. Brown be asked to make a statement in his own way of what had occurred.

"That might not suit my purpose," said Mr. Carvill.

"Well, it would at least give the true state of the facts," observed Mr. Fisher.

"That's why it wouldn't suit my purpose," remarked Mr. Fowler.

Mr. Brown then made a statement of what had occurred. In April arrangements had been made to have a certain amount of money loaned or advanced for the construction work from time to time, with guarantees to come later from the company the borrowers were forming when it was organized. There was the security of the individuals, the railway company and thirdly, the construction company.

Mr. Teed said that the commission had permitted, in the face of their decisions to the contrary, statements to be made as to the contents of the agreement for the loans. Now, he said, he wanted the whole agreement to go in the record.

Mr. Carvill objected to the admission of this agreement.

"Now we have Mr. Carvill objecting to the admission of the document he was calling out for fifteen minutes ago," laughed Mr. Markey.

This agreement was admitted and read and set forth in detail that the loans which amounted to \$350,000 were made to Messrs. Gould, Leaman, Thompson and Macdonnell for the purpose of carrying on construction work, the payment of wages, etc., on the St. John Valley Railway for the purpose of carrying on which work the construction company would be formed and enter into the necessary contract to build the road.

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Mr. Teed then received the information both by letter and telegram. He then read the letter which was entered as evidence, the objection being taken to it. The letter showed that up to January 31, 1914, the total amount paid to the railway company was \$600,706.25. From April the total was \$600,706.25. From the March total ten per cent was deducted which left \$538,738.49 to which should be added money sent on force account which made the total net expenditure up to the end of March \$538,738.49, or up to the end of April \$538,738.49.

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"You're getting to be such a prophet that we will have to call you Elijah as well as Gabriel," laughed Mr. Fowler.

The evidence, which was then brought out showed that the affairs of the Prudential were carried along care-

fully and that they protected their own as well as the public interests with the railway builders.

"We were not dealing with paupers," said Mr. Brown. "They were not of substance financially. Their checks on account in the Royal Bank were regularly honored and nothing has happened to make me modify my opinion of them."

Mr. Markey then produced the original agreement by which the construction company took over the responsibility of repayment of the advances which had been made to the individuals by the Trust Company for the purposes of construction.

This was read just before adjournment until 2.30 o'clock.

Afternoon Session.

The afternoon session opened with another lively clash between counsel.

Mr. Brown was still on the stand and Mr. Carvill proceeded to ask him concerning one payment of \$18,000 made in accordance with the agreement which was before the court in the morning session.

Mr. Teed objected. "You can't ask that question," said he.

"Can't," shouted Mr. Carvill. "Here this man comes up from New York and gets away with my money."

"He did not get any of your money," said Mr. Teed.

"Well, you object to the question?" asked Mr. Carvill.

"Yes, I certainly do," was the reply.

Mr. Markey then submitted a certified copy of a resolution passed by the St. John and Quebec Railway Company authorizing the transfer of certain monies to the equity he had in the already filed in evidence either in the copies or the originals should be sent back to Montreal. This concluded Mr. Brown's testimony and Mr. Teed announced he had no questions to ask.

Mr. Carvill then stated to the court that earlier in the equity he had learned the amount of money paid to St. John and Quebec Railway Company in subsidies from the federal department of railways was \$500,000.

Mr. Teed then received the information both by letter and telegram. He then read the letter which was entered as evidence, the objection being taken to it. The letter showed that up to January 31, 1914, the total amount paid to the railway company was \$600,706.25. From April the total was \$600,706.25. From the March total ten per cent was deducted which left \$538,738.49 to which should be added money sent on force account which made the total net expenditure up to the end of March \$538,738.49, or up to the end of April \$538,738.49.

Asked as to what was yet to be done, witness gave an estimate which showed about as follows:

Train haul, 80,000 cubic yards at an average of 37 cents per yard, total about \$29,600. Ballasting \$25,000. No ballasting had been done up to the last of the month. There was also a large force account on cleaning up slides.

Mr. Stevens—"Was this due to faulty construction in the first place?"

Witness—"Not at all. Continuing witness said that slides usually occurred in the spring of the year. Probably \$30,000 would be required to be made as to the contents of the agreement for the loans. Now, he said, he wanted the whole agreement to go in the record.

Mr. Carvill objected to the admission of this agreement.

"Now we have Mr. Carvill objecting to the admission of the document he was calling out for fifteen minutes ago," laughed Mr. Markey.

This agreement was admitted and read and set forth in detail that the loans which amounted to \$350,000 were made to Messrs. Gould, Leaman, Thompson and Macdonnell for the purpose of carrying on construction work, the payment of wages, etc., on the St. John Valley Railway for the purpose of carrying on which work the construction company would be formed and enter into the necessary contract to build the road.

The agreement also specifically authorized the payment of the money which were stated as being only for the purpose of the construction of the railway, to A. R. Gould, whose receipt was stated to be sufficient. The agreement was signed at Montreal in April and commencing on May 1st advances of \$50,000 each were made on the first and 15th of each month, until they reached the sum of \$350,000.

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