## JOHN S. SCOTT, RAILWAY CONTRACTOR, SWEARS HE PAID H. F. McLEOD \$1,500 AS PRICE OF AID IN SECURING CONTRACT

## SAYS PERCENTAGE BASIS WASSUGGESTED BY THEN PROVINCIAL SECRETARY

Price Was to be \$100 a Mile But Finally Settled on Half of Extra Cent Allowed for Earth Work

Witness Sent McLeod \$1,500 Through Dominion Express Co., and Fredericton Bank Manager and His Receipt for Parcel is Placed in Evidence -T. J. Carter Gets More Than He is Looking for in Cross-Examination of Star Witness of Day-Directors of Valley Railway Have Little Knowledge of Company's Affairs, but are Willing to Produce Books.

In a straightforward manner Johns. Scott swore Tuesday that he paid \$1,500 to Hon. H. F. McLeod, then provincial secretary in the provincial government, as the price of securing a contract on the Valley railway construction

Witness told in detail of suggestions made by Hon. Mr. McLeod for payment for his services in securing the contract for Mr. Scott. A percentage basis similar to that ruling in the collection of the timber limits graft was mentioned, \$100 a mile for the length of the section having first been suggested and later it was agreed that Hon. Mr. McLeod should receive half of the extra cent a yard allowed Mr. Scott for earth work as a result, he understood, of on of Hon. Mr. McLeod.

Mr. Scott made his reasons for paying the \$1,500 quite clear. He swore that McLeod had assurred him that nobody could get a contract on that section of the railway except through him. His previous experience of an attempt to secure a contract without payment made him quite ready to believe the pro-

That the money was paid was proven by the production of an express receipt for the \$1,500 which was forwarded to the Bank of Montreal in Fredericton for delivery to Mr. McLeod, the latter having agreed to this method in order that his name might not be mixed up in the affair.

Although Mr. Scott believed he was paying not only for the contract but lor protection while carrying it out Hon. Mr. McLeod semed to be unable or unwilling to deliver the goods and the witness told of having his estimates cut down and his money held up until he was almost in Boardal, difficulties. We

value received for this sum was ten shares of stock of the Fredericton "Gleaner". The stock, at one time was attached to the voucher but had been removed before the investigators had an opportunity to see it. "Is it blood-money" asked Mr. Carvell and witness gave no adequate explanation.

The neat sum of \$2,000 was paid to A. R. Gould "for special services" but the check which was issued in his name bore the endorsement only of J. N. W. Winslow. During the afternoon other payments of \$1,000 and \$300 apparently for services searching right of way titles were shown to have been made in Mr. Winslow.

Ernest L. Kelly, partner of John S. Scott on a Valley railway construction contract, was the first witness Wednesday. He told his story of the payment of the \$1,500 to Hon, H. F. McLeod in payment for his influence in securing the contract and with the expectation that they would afterwards benefit by his protection. "I am provincial secretary and I won't sign their damned bonds, for them if they don't use you right," the then provincial secretary is reported to have said in speaking of the possibility of the engineers not treating the contractors fairly on account of the excessive prices secured, it was stated, through

but he could not run York. He that Smith and Merrithew were line that Smith and Merrithew were least for earth work and \$1.10 and said that we might still get would take those prices. The on to other sections of the railing to the sections of the railing to have paid out a certain growth and said that we might still get work. We held out for 27 cents, and he said we could get it at 26 cents and arguing that the commission arguing that the commiss

DOCUMENT PLACED IN EVIDENCE TUESDAY

Q.—Have you asked the question of my official of the company?

A.—I have not.

Q.—Do you know whether the funds ave 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 if such were the case?

A.—I do not know.

Q.—Have you asked any officer of the ompany if that were the case? Q.—Why did you leave
A.—In the financial cris
were not able to raise the
the Bank of Nova Scotia. A.—I have not.

Q.—Do you know anything about the -Why did you leave

Q.—Well, anyhow, you have assumed esponsibilities whatever they may be of ntation?

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. Mr. Teed objected, but the witness answered: I would be willing to do everything in my power to bring them

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 subpoenae further.

John Scott was then recalled and was examined by Mr. Carvell.

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

the matter of the contract he said they behind them, and he had been given to understand at the time the contract was understand at the time the contract was made that it would be so in case of difficulties with the engineers. Mr. Mc-Leod 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, where the figures were made out to show that only two and four-fifths of a 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 fur-Guthrie?
Witness denied that

month, and then refused to do so fur-ther. Witness then got the money from his brother. "But we were only paid \$50,000 out of \$112,000. The ten per Mr. Carvell pointed out that this was an error.

Mr. Guthrie said the money was sent by the Trust Company to the office of the railway company in New York until short time ago after which it went lirect to the construction company.

Witness said that he had thought that I the money always went direct from the Trust Company to the construction that it went lirect to the construction company. He did not know why everying was turned over to the construction of the railway company for the construction of the railway company for the construction of the railway company for the construction of the road but could not expect the money always went direct from the ten pasted in the book in this way?

Note that I was a cur and all that, and I think it is not right."

Company.

Witness identified contracts as made the railway company for the construction of the road but could not expect the minutes typewritten and then pasted in the book in this way?

A.—Yes, as far as I know.

F. R. F. A.—Yes, as far as I know.

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 en an endorsement for \$500 and he absolutely refused to do it. He said he could not do it. It laid there a fortinisht as I dare not go back to the work as the men might strike. On the 16th

as the men might strike. On the loth 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 These amounts were mostly paid to Mr. McLeod and witness said that the

Q—Mr. Carter: Were y lied to leave the Scott L my because the Bank of cused you of misrepresel A—False as hell. Your false as hell. Your false as hell. Q—Now, that won't he A—I don't want it to.

Q.—Why did you leave?
A.—For the protection of
f you wish me to explain
t from A to Z. I didn't
hair to state what I didn't
Q.—But didn't the bank

out?

A.—No.

Q.—Did the bank take or ber lands and sell to Frast the bank or your brother?

A.—It was on August 16 went out of the Scott Lum and they transferred cert for me and I paid the mone of Nova Scotia, and their show it.

how it.
The chairman: I think far-enough in this direction witness: And I think Later Mr. Carter asked not suing the Hibbard peo A.—I suppose so.

Q.—Who are the other A.—The St. John & Qu lompany. We are relying neers.

gineers.
Q.—Is not your contract the Hibbard Company?
A.—No, with the St. Jo Railway Company.
Q.—Is not your contract the contract with the Hibbard Company?
A.—If they had an eng Q.—Did you not do you the contract with the Hibbard Company?

r here acknowledging, if you want it.

—Will you swear you.

—I will swear. Separate from the St. John & Quebec

Q.—When was it made?
A.—In the spring of 19:
Q.—The same time that A.—Yes.
Q.—Then you had a both for the same work?
A.—No, I did not say
Q.—What was your con

A .- Why was I not?

veracity of the witness ask whether the witness

Gould at the Victoria he "In the morning whei city," went on the witnes paid his hotel bill and wout seeing me. I went to ming in his bedroom. I and I said to him: "It le insult to injury." He wrote a telegram to A Fredericton. I went on my card to Mr. Gould. that he would see me in but it was 11 o'clock at came down. I met him came down. I met his the hall and said: 'I we not to have seen you i morning about that ma way when Mr. Flemmin have talked it over.' has Flemming got to do I replied, 'Well, he is province,' and I said 'Mr not satisfied, with the past months signed by I am getting to.' After members of the legislat

crows, it grew and gree the charge began.

Mr. Carvell—On Aug McLeod did you serve witness (reading to Witness (reading fr "Aug. 22, H. F. McLe and help."
Q.—He did you serv A.—Yes, that is the Q.—He endorsed an Scott and Kelly. Did y

it is like the story of

for assistance?

A. No, sir.

Q. The note you history of for \$500-s paid back and for integrations. A.—Yes. At the conclusion evidence the Royal Co