

YEAR 83, NO. 80

KINGSTON, ONTARIO, TUESDAY, APRIL 4, 1916.

SECOND SECTION

GRAFT TOTALS \$5,000,000

The "Rake Off" in the "Ammunition Ring"

WILL GREATLY EXCEED

THE PARLIAMENT ESTIMATES OF \$1,500,000

What the New York Herald Says - Colonel J. Wesley Allison Goes to Enjoy the Sea Breeze.

New York, April 3.—The Herald says: New York suddenly became the centre yesterday of the investigation of alleged scandals in the purchase of war munitions that have stirred Canada from end to end, and which, it now is declared, threatens to develop into a political eruption that will sweep the Conservative party out of power in the Dominion.

Coincident with the announcement that General Sir Sam Hughes, Canadian minister of militia, is on his way here from London at the request of the other Dominion authorities, it was learned last night that British agents already have been asked to keep under surveillance here several men whose names have been connected, almost since the start of the European war, with the purchase of ammunition and other supplies that have gone to England by way of Canada.

This action followed the discovery, it was declared, that the profit of the alleged members of the so-called "ammunition ring" in "commissions" could not possibly total less than \$5,000,000, instead of only \$1,500,000,000,000 specifically referred to in charges already laid before the Dominion Parliament.

That Sir Cecil Spring Rice, the British Ambassador, undoubtedly will play a prominent part in the investigation also was learned. His entrance into the situation was expected, it was declared, by several persons conversant with the details of the investigation, because the operation of the supposed "ring" resulted in the non-delivery of huge shipments of shells to the home government.

Most of the undelivered shells and other supplies, it was learned, were relied upon by the British army heads who have had charge of mapping out the operations in the next several months of the British forces in France and Flanders.

Despite the furor that has been raised in the Dominion, Sir Alexander Bertram, vice-chairman of the shells committee, which has had charge of the award of contracts placed either by or through the Dominion Government, refused at the Biltmore Hotel to discuss in any way the situation.

With Lady Bertram, Sir Alexander is on his way back to Canada after an extended stay in the south. He asserted he knew nothing whatever of the details of the exposures, and that his return to Canada at this time bore no relation to the fact that the alleged scandals have resulted in a parliamentary order for an investigation.

Chief interest in this city appeared last night to centre around the whereabouts of Colonel J. Wesley Allison, whose name frequently has been mentioned in the parliament discussions that resulted in ordering the investigation.

Colonel Allison, whose title is an honorary one, it was learned, has been stopping for several months at the Manhattan Hotel. He is a close personal friend of General Hughes, who, it is declared, many times has referred to Mr. Allison as "his friend, philosopher and adviser."

Colonel Allison was not at his suite in the hotel yesterday, and last night it was reported that he had gone several days ago to Sea Breeze, Fla., in company with Dr. Kenneth Van Allen, with whom he has been staying at the Manhattan. Dr. Van Allen has been closely associated with Colonel Allison for many months.

No effort was made yesterday to conceal the fact that, although it has scarcely begun, the investigation has developed that the huge commissions extended not only into the award of contracts for shells and other ammunition, but included almost every article for war use which has been bought and shipped to England through Canada.

Most of the men involved in the transaction covered by the investigation are Canadians, and few, if any, American firms or individuals will be involved. American capital, it was admitted, was supplied in getting into existence so-called "warehouse" companies, to which contracts for munitions and other supplies were awarded after Canadian agents had exacted commissions that collectively ran into the millions.

Even these circumstances would not of themselves have produced the situation now existing, it was asserted, if it had not been for the fact that where deliveries of considerable more than a million shells, in one instance, were expected long ago, the charge now is made that the company which obtained that contract has delivered far less than half that number. And for those, it is charged, the Canadian Government paid prices nearly twice as great as for those purchased in this country and shipped to England through the purchasing arrangement being operated through J. K. Morgan & Co.

Difference in Prices. In connection with this same charge, it was declared last night that a retired captain of the United States army, conversant with conditions in the munitions market here, as early as last May wrote to General Hughes and told him that shells being purchased in this country for Canada were being sold to the Dominion at \$3.25 when the same class of munitions were being shipped to England through the Morgan firm at a cost of only \$1.35.

Several men connected with large American firms which have been active in supplying munitions to the Allies, but who refused to permit the use of their names, asserted last night their belief that the charges laid before the Canadian Parliament are a woeful exaggeration of true conditions, and that such enormous profits in the way of commissions could not possibly have been obtained because of the methods employed in making the contracts.

They asserted that the investigation is the result of the same conditions of exaggeration which have led to the popular belief that huge fortunes have been built up in this country as a result of the traffic in shells and other war supplies, when they asserted that as a matter of fact the fortunes have been few and the losses sustained many, because of the unfamiliarity of American manu-



THE MEN IN KHAKI:—"Oh, Daddy, what part did you take in the great war?"

facturers with what was expected of them. One of these men declared he knew positively that of all the American rifles that have been shipped abroad, virtually none have been able to stand up under the required tests, and that almost all of them have been cast aside without ever having been used on the firing lines.

NAVAL POSSIBILITIES.

Progress in Battleship Building - Germany's New Menace.

Ottawa Citizen. Russia has three new Dreadnought battleships in the Black Sea and they are the controlling factor there. They were finished since the outbreak of war, and judging by photographs, would seem to be armed with triple 12-inch guns mounted in four turrets. They have heavy armor, twelve inches thick amidships. Any one of the three could battle the German battle-cruiser Goeben in a fight to the finish. The Goeben's armor belt is only eleven inches in thickness, and the Goeben's five 11-inch guns would be outmatched. But the Goeben has the speed: probably 28 knots against the heavier Russian ships' 22 knots at best.

Most promising is the fact that the Black Sea battleships were built in three years. They are the result of a curious combine of international armor-planters, including Franco-Belgian financiers and British builders at the Black Sea shipyards at Sevastopol and Nikolaioff. They were laid down in 1911 and supposed to be completed in 1914. The international armament group had also undertaken to build first line warships for Russia in the Baltic shipyards. Four battle cruisers were laid down at Petrograd in June, 1909. They had not made any appearance in the war news up to the time navigation closed in the Baltic Sea last December. The Baltic should be free of ice by the end of this month. It is just possible there may be a certain vigilance about the Baltic coast of Germany during the next few weeks. When Russia can build battleships

in three years at the Black Sea yards, it should be possible to do better than seven years in the Petrograd yards; and it is seven years since the Gangoot, Poltava, Potropavlovsk and Sevastopol were started. Four years ago there were four extra heavily armed battle cruisers laid down, presumably on the slipways made vacant by the launching of the Gangoot group. They were to carry triple 14-inch guns mounted in three turrets along the center-line, and their speed would be over 26 knots. They were started in 1912, and were certainly building in 1914. Even one of this Borodino class, with the four of the Gangoot class and the Vicker's cruiser Rurik, with a considerable fleet of lighter cruisers and a little surprise in the way of submarine strength, should be able to provide Germany with a warm naval entertainment. . . . and the last thing Germany can afford is to keep its feet in harbor with a Russian navy in the Baltic Sea.

Becomes Independent.

Amoy, April 4.—Chang-Chow-Fu, one of the largest cities of China, has declared its independence of the Government of Yuan Shi-Kai. Chang-Chow-Fu is a city of about 900,000 inhabitants in Fo-Kien province, 24 miles north-west of Amoy, which is its port.

Two Ports Destroyed.

London, April 4.—Forts St. George and Sanjak, as well as the other coastal defences of Smyrna, were destroyed Friday in a three hours bombardment by a British warship, says a despatch to the Times from Salonika. The Turks did not reply to the fire of the warships. Sanjak is the chief work commanding the entrance to Smyrna harbor. St. George is about three miles to the south-east.

Chief Engineers of First-Class Steamers.

will be paid \$180 per month. First assistant engineers will get \$140, and second assistant engineers \$100. The chief engineers of second class vessels will be paid \$125 per month.

Men in Charge of Pittsburgh Boats Given Good Boost.

A big change was decided on in the engineers' wage scale, at the meeting of the Pittsburgh Steamship Company, says the Cleveland Leader, and the men will get an increase all along the line. In addition to the increase in wages, the chief engineers, who have heretofore been paid for eleven months per year, will be paid for twelve months, and assistant engineers who were formerly paid for the time they were employed, will receive wages for ten months per year.

THE HANOVER RACING CLUB'S RULE PENALIZING ALIEN JOCKEYS FIVE POUNDS IN ALL RACES OTHER THAN THOSE FOR THEIR CONTRACT EMPLOYERS IS CRITICIZED IN A GERMAN SPORTING PAPER AS A SLUR ON GERMAN JOCKEYS, THE INFERENCE BEING THAT THE AMERICANS, THE ONLY ALIENS CONCERNED, ARE BETTER RIDERS. IT ADDS THAT THE RULE WILL REALLY PROVE A GREATER HANDICAP TO OWNERS OF OUTSIDE STABLES THAN TO ARCHBIBALD AND THE OTHER AMERICAN JOCKEYS.

Hon. George Langley, Minister of Municipal Affairs in Saskatchewan defending himself, was completely exonerated from the charges of receiving bribes in connection with hotel licences, and undermined the whole structure of the Bradshaw charges.

GERMAN TASK CLEAN CUT

They Must Blast Their Way to Hill 304.

THE HIGHEST POINT

IN THE WHOLE OF THE VERDUN REGION

And Dominates the Surrounding Country—Vaux of Mere Local Importance—Object of Verdun Campaign.

London, April 3.—History will accord to the operations in the Verdun sector a classification vastly more important than that of a battle. In fact, they passed the stage of a battle more than two weeks ago. They have become a major campaign, pressed relentlessly, and they have assumed a significance surpassing any development in the western theatre since the battle of the Marne.

While the battle of Verdun, as the first three weeks of the Meuse fighting rightly may be called, ended in a distinct German defeat in the failure of the immediate object of the battle, a new danger has arisen for the fortress which Paris and London both keenly recognize. This is fully established by the remarkable steps which are being taken to strengthen the garrison army and its defences. The situation, as is natural, is the cause of anxiety, but it can be forcibly said it is causing no alarm.

The campaign against Verdun, while exerting itself on the whole of a forty-mile front, is being pressed almost exclusively as a flanking operation to squeeze out the French by cutting their supply lines in the rear and endangering the route over which a retirement would be effected. The main battle, which lasted for three weeks, brought the Germans up flush with the outer circles of forts, many of which their heavy artillery has destroyed. But the strength of the defences within the fortress ring, defensive organizations which cover virtually every inch of the ground, is so great that more frontal assaults were hopeless. Attacks here were abandoned, and only enough pressure was applied to hold the French in front of them to the full force while preparations were made to drive in to the flank of the salient and reach the Verdun-Paris railway.

The French Salient.

By tracing this line on a map it will be seen that the French occupied a decided, although an irregular, salient approximately four miles across, within the greater Verdun salient. Malancourt and Bethincourt, both on a little creek that runs into the Meuse and both strongly fortified, were held by the French. Hill No. 304, the highest point in the whole region, arises about one and three-quarter miles within the French lines, to dominate all the surrounding country. The French have made of this hill a veritable honey-comb, filled with men and guns and mines, with heavy artillery well

Dividend Declared.

New York, April 3.—The American Beet Sugar Company declared a dividend of six per cent. on the common stock for the present fiscal year payable quarterly on the following dates: April 29th, July 31st, October 31st, 1916, and January 31st, 1917. This is the first dividend declaration on this issue since October 4th, 1912, when a fourth quarterly dividend of 1 1/2 per cent. was declared. During 1911, one dividend of 3 1/2 per cent. was paid on November 15th. These are the only dividends which have been paid to Beet Sugar common stockholders since the organization of the company in 1899.

Sun Life Got \$500,000.

Montreal, April 3.—The success of the flotation of the Canadian loan in New York, and the extent to which it was oversubscribed, is indicated by the fact that while the Sun Life Assurance Company of Canada, subscribed for \$3,500,000, of the fifteen year bonds, the company was allotted only about \$600,000.

This allotment brings up the total purchases by the Sun Life of Canadian Government bonds to \$3,520,000, and its total purchases of Canadian, British, French and Anglo-French bonds to over \$5,250,000.

Canadian Westinghouse.

Hamilton, Ont., April 3.—The Canadian Westinghouse Company enjoyed a prosperous year. The financial statement to Dec. 31st of last year showed net earnings of \$860,528. The company now has a surplus of \$2,370,000 and is in a strong condition financially. A dividend of 9 per cent. was paid during the year.

THE STANDARD BANK OF CANADA

HEAD OFFICE - TORONTO SOLDIERS, ATTENTION!

Our Savings Bank provides a suitable and convenient place for your surplus funds. A joint account is specially adapted for those going overseas. Apply to KINGSTON BRANCH, H. E. Richardson, Manager

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For Eczema and other Skin Troubles We Guarantee Saxol Salve to stop the itching and begin healing with the first application or return your money. There are lots of skin remedies but Saxol is the only one we guarantee like this. Why don't you try it? GEORGE W. MAHOOD, Druggist, KINGSTON, Ont.

THE HANOVER RACING CLUB'S RULE penalizing alien jockeys five pounds in all races other than those for their contract employers is criticized in a German sporting paper as a slur on German jockeys, the inference being that the Americans, the only aliens concerned, are better riders. It adds that the rule will really prove a greater handicap to owners of outside stables than to Archibald and the other American jockeys. Hon. George Langley, Minister of Municipal Affairs in Saskatchewan defending himself, was completely exonerated from the charges of receiving bribes in connection with hotel licences, and undermined the whole structure of the Bradshaw charges.

A Little Mud in One's Soup Is Annoying

