

Report of T. Hollis Walker, K. C.

Sir Richard Squires Declared a Receiver and Accomplice.—Dr. Campbell Misused and Misappropriated Public Funds—Public Moneys Wasted; Electorate Corrupted; Departments Debased.

FINDINGS ON SECTION I. (Controller's Dept.)—

That Miss Miller was aware that the bulk of the money was taken from Controller's Dept., the whole of which was applied by her to the purposes of Sir Richard Squires for his benefit.

That Sir Richard Squires accepted the use and benefit of over \$20,000 so obtained with knowledge of their tainted history, and made himself a receiver and an accomplice in Mr. Meaney's wrong.

FINDINGS SECTION II. (Besco)—

That responsible officials of the Dominion Co. were willing to and did give timely financial assistance to Sir Richard Squires out of the funds of the Company, that \$43,000 was paid to him accordingly, . . . that the allegation in this paragraph is proved. That Mr. Miller and Mrs. Harsant were his instruments.

FINDINGS SECTION III. (Pit Prop and Farm)—

That the loss to the Government on logging operations not less than \$130,000.

That the allegation that Dr. Campbell paid his own private cab fares to a very substantial amount out of the public funds under his control is fully proved. In relation to his cab fares, Dr. Campbell directly misused and misappropriated portions of the public funds under his control, which throughout were badly and wastefully administered by him.

That the Union Trading Company appear to have made a profit of \$10,000 out of the contract, but the Government gained no advantage.

Model Farm—That the list of cab fares proves to my satisfaction actual misappropriation on the part of Dr. Campbell, and the padding of wages' bill by men unnecessarily and improperly introduced at this instance was a misuse of the funds amounting to misconduct, in my view.

That Mr. W. McNeily misappropriated \$120.

IV.—RELIEF—

That it was as the General Election approached that misuse of public money developed and to keep on or to secure their political support idlers were paid for work at the rock sheds which they never performed.

V.—PUBLIC CHARITIES—

That a great deal of this money did not go in necessary relief; it was not reserved for proper cases after due and searching enquiry; it was lavishly scattered broadcast with both hands for political purposes.

That there does not appear to be any instance of actual misappropriation by anyone in the Department but the conduct of the Department was slovenly and unbusinesslike and made possible abuses all over the Island, of which I cannot think the staff was ignorant.

That Politicians exploited the situation improperly to further their aims.

To His Excellency Sir William Lamond Allardice, Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, Governor and Commander-in-Chief in and over the Colony of Newfoundland.

WHEREAS by a Commission bearing date of the twenty-second of December in the year of Our Lord one thousand nine hundred and twenty-three, I Thomas Hollis Walker, one of His Majesty's Counsel, was constituted and appointed Commissioner to investigate and enquire into certain matters and things more particularly described and set out in the Preamble to the said Commission and with as little delay as possible to report my findings upon the said matters and things.

Now I, the said Thomas Hollis Walker, having on divers days in the months of January, February and March in the year of Our Lord one thousand nine hundred and twenty-four held and conducted an investigation and enquiry into the said matters and things, at St. John's, in the said Colony of Newfoundland, and having carefully weighed and considered the oral evidence given and the documents produced before me and the comments and arguments of the parties interested, or their legal representatives do hereby beg to report as follows:—

1. The first matter of enquiry was stated in the said Commission in the following terms:—Allegations have been made that amounts paid to the Department of the Liquor Controller were not paid into the Treasury but were paid over to private individuals.

From August 1920 to June 1923 Mr.

John T. Meaney was Acting Liquor Controller. His written appointment dated August 11th, 1920, recited that the whole question of legislation in reference to intoxicating liquor was to be referred to a Commission, and that meanwhile no permanent Controller would be appointed, and proceeded to appoint him Acting Controller as from August 1st. His salary was \$2600.00 a year, and he was expressly forbidden to receive any profits, brokerage, or commission in connection with any intoxicating liquors imported into Newfoundland. Under the Acts of Parliament dealing with Prohibition Mr. Meaney as Acting Controller had charge of the importation and of the sale and distribution of liquor. He was subject to the supervision of a Board of Control, which, however, does not appear ever to have met him or to have checked his operations in any way whatever.

According to his own evidence Mr. Meaney supplied liquor (a) against certificates of medical practitioners, known as scripts, and (b) without scripts as within his powers, but he was unable to show me, and I was unable to find any provision which afforded any justification for the practice. It was further elicited from him that he was in the habit of making considerable presents of liquor from the stores in his charge without payment of premises or expectation of payment, and of receiving large sums by way of gratuity or secret commission from those who supplied liquor to the department; these matters (which he did not seek to excuse) do not directly affect the question which I have to decide, but they indicate the use (or abuse)

which Mr. Meaney made of his position, and the way in which the Department was carried on under his management.

All money received from sales of liquor should have been paid into the Exchequer Account at the Bank of Montreal, in the case of sales against scripts all moneys received were handed over to Miss Power, the Accountant at the Department, and were duly transmitted by her to the Bank; the same practice should have been followed in the case of sales without scripts, whether such sales were proper or not, but in many instances this was not done. These sales without scripts were usually for cash, a small proportion only being credit transactions and brought considerable sums of money into Mr. Meaney's hands. He professed to keep a "special account" for them, but he did not enter in it all the sums that he received. Some he entered and paid over to Miss Power who transmitted them to the Bank, but according to his own admission others were handed over by him to Miss J. G. Miller (now Mrs. Harsant) who was in the employment of Sir Richard Squires, and purported to ask for and receive them as loans on his account.

Mr. Meaney denied that he made such payments to anyone else and no other specific recipients were suggested or indicated in the course of the Enquiry. It appeared, however, from remarks made by Mr. Howley, K.C. (counsel for Sir Richard Squires) that an investigation of the books of the Department had recently been conducted by Mr. E. Watson, a member of a firm of accountants practising at St. John's, and, it was hinted that some other instances might have emerged. It was extremely unlikely that such transactions, if they took place, would be disclosed in the books. Mr. Meaney certainly did not record there the payments which he made to Miss Miller, or the sales, the proceeds of which he thus diverted, and such vouchers or memoranda as he had were not shown to anyone. I thought it best, however, to procure the attendance of Mr. Watson and have his sworn testimony upon the point. I found that he had made a full examination of the books (concluded in January, 1924) for the period from June, 1921 to June, 1923, during the whole of which Mr. Meaney was Acting Controller. A very large shortage was disclosed. The absence of any stocktaking made it impossible for Mr. Watson to give precise figures, but he estimated that it was not less than 700,000 dollars or dollars worth, and that it might be twice as much. The deficiency might be due to shortage of liquor or of cash or of both. It was not within the scope of the Enquiry to investigate allegations or suggestions of liquor shortage, and as Mr. Watson could not specify or discover any instance in which money paid to the Department had not been paid, or appeared not to have been paid, into the Treasury, but to a private individual, I could not see any justification for, or means of extending this section of the Enquiry beyond the original allegations of payments made by Mr. Meaney to or through Miss Miller.

Miss Power had no knowledge of the transactions with Miss Miller and though there were periodical audits, the misconduct of Mr. Meaney escaped detection. I do not see the slightest evidence that either Miss Power or the auditors knew or suspected that Mr. Meaney was withholding any of the money of the Department or paying it out to Miss Miller or anyone else.

The first payment to Miss Miller took place in November 1920. Sir Richard Squires was then abroad, and Miss Miller was in charge of his affairs. She had authority to sign cheques on his account at the Bank of Nova Scotia and on November 19th, 1920 she went to Mr. Meaney and asked him to cash a cheque for \$1,000, which after some demur he did. Other cheques followed, the full list being:

1920 November 19th	\$1,000.00
" November 27th	1,000.00
" December 4th	1,065.00
" December 4th	300.00
" December 11th	500.00
1921 January 14th	500.00
" January 14th	350.00
" January 26th	500.00
" March 19th	1,100.00

a total of \$6,905.00. These cheques were all drawn on the account of Sir Richard Squires at the Bank of Nova Scotia, and signed "R. A. Squires, per J. G. Miller". In each case the amount for which the cheque was drawn was handed in cash by Mr. Meaney to Miss Miller. Mr. Meaney's evidence was that \$3,000.00 were provided out of his own money

and the remaining \$3,905.00 were improperly taken out of the money belonging to the Liquor Control Department. It was money, which came into his hands as the proceeds of sales without scripts, and ought to have been paid into the Treasury. The counterfoils of the cheques were in Miss Miller's writing and besides stating the amounts in figures, contained in some cases the words "Cash J.T." these being the initials of Mr. Meaney's Christian name. At some date after Sir Richard's return to the Colony, which took place in the early part of December 1920, Miss Miller repaid to Mr. Meaney \$4,000.00 which she obtained from Sir Richard for the purpose. According to Mr. Meaney's evidence he then repaid himself \$3,000 and restored \$1,000.00 to his Department. It has never been suggested that anything has been paid in respect of the balance of \$2,905.00, and that amount at least is still outstanding.

In March 1921, Miss Miller's authority to draw cheques was rescinded, but the transactions with Mr. Meaney continued with this variation—i.e. I.O.U.'s were given instead of cheques, the full list being:—

1921 March 19th	\$ 365.00
" May 7th	1,000.00
" May 25th	490.78
" July 11th	200.00
" July 18th	100.00
" August 1st	300.00
" August 11th	200.00
" August 17th	300.00
" August 22nd	200.00
" September 13th	500.00
" September 19th	300.00
" October 19th	500.00
" October 21st	200.00
" December 6th	3,000.00
" December 16th	2,000.00
" December 19th	4,000.00
1922 January 28th	250.00
" March 6th	320.00
" March 18th	300.00
" March 22nd	100.00
" March 31st	1,000.00
" April 20th	200.00
" May 18th	100.00
" June 7th	2,000.00
" June 20th	1,000.00

a total of \$19,225.78. These I.O.U.'s were all signed by Miss Miller in her name only. I find that the amounts for which they were given were all paid to her by Mr. Meaney in cash and that they were all taken out of the money of the Department, being proceeds of sales without scripts, which ought to have been paid into the Treasury. Nothing has been repaid in respect of these transactions.

In July 1922, Mr. Meaney made a further and final payment of \$550.00 in cash to Miss Miller, who paid the amount into the private banking account of Sir Richard Squires at the Canadian Bank of Commerce. No cheque or I.O.U. was given but Mr. Meaney retained the duplicate deposit slip as his voucher. His evidence was that he provided \$100.00 out of his own money and took the rest from the Department as in previous cases. No part of this has been repaid.

The total payments made by Mr. Meaney to Miss Miller were:—
(1) Against cheques . . . \$ 6,905.00
(2) Against I.O.U.'s . . . 19,325.78
(3) Against deposit slip . . . 500.00
of this \$3,100 may have been provided by Mr. Meaney himself, but I find that the balance of \$23,630.78 was improperly paid by him out of the funds of the Department which ought to have been paid into the Treasury. A sum of \$1,000 may have been returned to the Department after some months or weeks use, more than \$22,630.00 are still outstanding.

I find that Miss Miller, though nothing was said as to the source from which the earliest payments came, was fully aware that the bulk of the money was taken from the funds of the Department.

I find further that the whole of the money paid by Mr. Meaney to Miss Miller was applied by her to the purpose of Sir Richard Squires and for his benefit. A sum of \$400.00 was retained by her to defray the expenses of journeys undertaken by her in connection with her efforts to obtain money from him. Some was paid into his banking account, some was handed to him personally, and some was used to meet pressing claims against himself or his firm. For instance, a client of the firm had lost his leg by fire, his claims had been adjusted, but payments were required and were made to him or on his behalf before his compensation was received from the Insurance Company. These payments were made by the personal cheques of Mr. Curtis who had then joined Sir Richard Squires in a partnership which did not include insurance business and Mr. Curtis was reimbursed on at least one occasion by money provided by Miss Miller from Mr. Meaney. Mr. Curtis appears to have taken it without enquiry, but I do not find that he had any knowledge that it had come from the Liquor Department.

The payments made to Miss Miller and the use she made of the money, her close and confidential business relationship with Sir Richard Squires and the evidence which she gave before me, directly raised the question of his complicity in her dealings with Mr. Meaney, and indeed a large part of the hearing of this first section of the enquiry was occupied by evidence

(Continued on page 5.)

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