CURRIE INVESTIGATION RESUMED AT THE CAPITAL

LANDS AND MINES DEPARTMENT NOT INFALLIBLE, SAYS LOGGIE

Deputy Minister Explains Workings and Machinery of Crown Land Department At Length on Resumption of Enquiry Into Charges of Defrauding the Government of Logging Dues Preferred Against Speaker Currie By Hon. J. B. M. Baxter—Missing Estimates Found.

(Continued from page 1).

Fredericton, July 17—When the session opened Col. T. G. Loggie, deputy minister of lands and mines, was called to give evidence in the Currie investigation. Examined by Dr. Baxter he told of the appointment of Archibald Murchie as a government scaler in 1908. As an illustration of instructions to scalers the witness read a circular addressed to all scalers last year, dealing with the size which might be cut, their markings, etc. Stumpage was payable, he said, on all logs down to five inches diameter at the small end.

Regarding the evidence of the Continental company's scaler that logs of less than eight inches were disregarded, he said that scaling smaller logs was impracticable.

Instructions to scalers as to how to carry on their work were only general, as the scalers, having passed their examinations, were supposed to know their work. Instructions were limited chiefly to information regarding the limits of the district in which the scaler was to operate.

Chief Scaler Duties.

The duties of the chief scaler, the witness said, were to see that his subordinates were alert on their work that they were performing their monthly counts, answer correspondence and see that a correct count of the cut was filed with the department. He was not able to say if the counter's books for the Continental operations for 1916-17 had been returned to the department.

With the aid of a map Col. Loggie showed the location of the Continental Company's timber limits. At the headwaters of the Charlo, their lands adjoined the Richards Company permits.

Scalers Return.

From the scalers' returns the department seldom could tell from which of the lands any particular lot of lumber was cut. Plans of the district indicating the Continental Company's limits, had been sent to Murchie, Colonel Loggie was asked to produce copies of the plans, also any correspondence with Murchie and any returns sent in by him.

When he returned Colonel Loggie produced a copy of the formal appointment sent to Murchie. He showed by his record that scale plans had been sent to the scaler, had been returned by him on August, 1917, and destroyed as old and unserviceable. New plans were sent at that time. These would show part of the Richards lands on the River Charlo, as well as the Continental's lands. Letters from the chief scaler, October 4, 1916, showed what forms and books had been sent to the scaler. The witness could not find that any of these books had been returned. All he knew of Murchie's sending to the department were the returns which had been put in evidence at Campbellton.

System of Scaling.

The system of scaling recognized was largely averaging. It was a poor system, but some scalers had to deal with fifty millions of lumber and they could not actually scale more than four or five millions.

The books were intended for use of the scalers on the logs they actually scaled. The department know nothing of the counters who were employed by the scalers to aid in counting the logs and provided no forms for their return. The statement of all scaling done by Murchie for other concerns besides the Continental Company was promised by the witness.

Monthly Statement.

Ten monthly statement forms had been sent to Murchie but he had returned only one, that already in evidence.

A letter from Murchie, dated December 4, 1916, accompanying his returns for logs cut, and asking for $300 on account of salary was submitted. The witness had answered promising the check. On March 8, 1917, Murchie wrote that as his estimates dated February 5 had been received, he would send another copy. He wrote that his total scale was 9,531,000 feet.

The witness had no record of previous correspondence regarding the missing estimate which the chief scaler might have written. The latter official had told the witness that he had tried to secure more monthly returns from Murchie but had failed.

Check for Murchie.

Letters from this witness acknowledging receipt of estimates, re inquiries about sawmills, and enclosing check for balance due Murchie on the basis of 9,571,000 feet were put in evidence.

Final returns for 1916-17 were received from Murchie on April 30, 1917 and marked O. K. by the chief scaler.

Dr. Baxter.—"What information would he have by which to check the figures?"

Witness.—"He would have some information from travelling around."

Q.—Is his check of any value?

A.—Practically none, but we hope to change that.

Continuing, the witness explained that the chief scaler, after checking the returns, sent them to the departmen to have the stumpage accounts made out.

Continental Account.

The acount for the Continental Company was as follows:—Spruce, 1,022,000 feet at $1.50 per M, $1,533; fir, 2,149,000 feet at $1.20 per M, $2,902.80; cedar, 1,047,000 feet at $1.50 per M, $1,570.50, total, $6,006.30. A check for this amount and one of $1,264 for mileage were received on August 5 from the company with a letter from Mr. Currie. The mileage was an annual payment of $8 a mile for leased land. There was no fixed rule in the department for making deductions from the scale for fir. He was left to his own judgment.

Many Complaints.

To Mr. LeBlanc, the witness said that once a scaler was appointed, he received no official notice of further annual reappointments. Forms were sent to them each year. It was the aim of the department to ascertain the exact cut on crown lands. The department had received many complaints regarding the bills. Each one was investigated and usually the department's count was found correct. If he was overcharged, the operator should pay the bill and claim a refund. If he were able to show that the actual cut was less than the amount of the department's count, the bill would be corrected. The department was not infallible.

The witness had produced all his correspondence with Murchie, but the chief scaler would have some additional correspondence with him. Murchie did not make monthly returns regularly. The witness promised to secure and produce all returns made by Murchie for operations other than those of the Continental company.

The court here took recess, to resume at 2.30 o'clock.

Afternoon Session.

When the afternoon session opened Col. Loggie said he desired to correct evidence given by him in the morning to the effect that the original plans sent to scaler Archibald Murchie had been destroyed. That evidence was not correct, as the plans had been found in the department. He produced the plans showing the areas of the Continental Lumber Company, the Louson Co., Ltd., the Tobique Co., J. & A. Culligan and the Richards, Limits. The final return of lumber scaled by Archibald Murchie in 1916-17 was produced. That return showed the cut of J. & A. Culligan, the Louson Lumber Company and the Continental Co. The total was 8,531,000 superficial feet, of which the Culligan Company cut 2,999,000 made up of 932,000 feet of spruce and pine and 2,067,000 of fir. The Louson Company cut was 1,084,000 feet made up of 345,000 of spruce and pine, 660,000 of fir, 43,000 of cedar, and 36,000 of birch.

Mr. LeBlanc asked if the amount shown as the Culligan cut was all contained in Mr. Murchie's statements.

The Culligan Cut.

Col. Loggie went to the crown land office for the final statement of the Culligan cut. The statement of Scalers R. MacKay and John Lawlor concerning the Culligan cut: The total of the Culligan cut returned by J. R. Hachey was 600,000 feet spruce and pine, 702,750 feet of fir, 50,400 of cedar, 24,650 of hardwood, a total of 1,377,800 feet.

John Lawlor returned no lumber cut by the Culligans on his territory. The Hachey and Murchie returns should show the total of the Culligan cut. This figures out at 4,376,800 feet. The stumpage paid by the Culligan Company on Mr. Hachey's return was $1,849.71.

To Dr. Baxter witness said it was usual for companies to pay their stumpage between August 1 and 15.

To Mr. Copp witness said any mistakes in stumpage bills made by the department would be rectified, but mistakes were very seldom made.

The Chief Scaler.

Mr. Murchie's reports were made direct to the department and by the department referred to the chief scaler. The chief scaler was supposed to supervise the work of scalers. He had to get the information as to lumber cut the best way he could, but this plan was not as successful as in other days when the chief scaler actually went through the forests. The stumpage account against the Continental Lumber Company was made on the returns of Scaler Murchie. No special investigation was made. He had no recollection of having to investigate Scaler Murchie's reports during his term of office. He had a dim recollection of difficulties with James Reid. He had had no reason to doubt the accuracy of Archibald Murchie's scale.

Continental Payment.

The commissioner—"The Continental Company's own records show that they cut nearly eight million feet of lumber, and the cheque paid on four and one half million feet. Is that to be taken as a criticism of all?"

Col. Loggie—"We cannot tell exactly what the scale is until the final report comes in. This is the only correct statement on which we can base our stumpage bills. The department depends upon the chief scaler and the scalers under him."

To the Commissioner witness said the normal cut on crown lands in the province was 275,000,000. Last year it was 175,000,000, a falling off of 100,000,000. The rate of stumpage was fixed by the government. Lumber scalers were appointed on the recommendation of local members.

Political Appointments.

The appointments were political and on a change of government many scalers went out.

To Dr. Baxter witness said the present rate of stumpage on crown lands is $2.50 per thousand for spruce and pine and $1.50 per thousand on fir.

This concluded Col. Loggie's evidence and Dr. Baxter announced that his case was closed.

The Defence Opens.

Mr. LeBlanc for the defence called Daniel E. Richards, president of the Continental Lumber Co., and manager of the Richards Manufacturing Co. The Richards' Companies owned 88 per cent. of the stock of both companies. Witness looked after the financial affairs of both companies. He had settled the stumpage of the Richards Co. with the scaler. Mr. Currie was particularly connected with the manufacturing end of the company. Witness remembered the Continental Lumber Co.'s operations in 1916-17.

Mr. LeBlanc—"Who settled the stumpage in that year?"

Dr. Baxter—"I object to that." Objection sustained.

Witness said Murchie came to his office in January or February and asked how much the company's cut was. The reply was, it was not as heavy as last year, and in reply to the scaler's suggestion that he should make his statement between $4,500,000 and 5,000,000 feet, witness said that would be all right. Murchie then said he would try that figure.

A Loose System.

Stumpage had been arranged in the same way for many years in the past.

The witness told Mr. Currie that Murchie had said the company's stumpage would be four and a half to five millions. The Richards Company financed the Continental Co. and witness had authority to sign cheques for the company. He also had the company's sale. He looked after the sale of the lumber cut by the Continental. Mr. Currie sold the shingles.

To Dr. Baxter witness said he was a supporter of the former government and had worked for the election of Hon. Arthur Culligan and D. A. Stewart, and he supposed that fact was one reason why Murchie came to see him. The cut the year previous was 4,700,000 feet. When he told Currie the arrangement was for 4,500,000 Currie said it was all right, but made no other comment. He did not sign a cheque for the stumpage, nor did he receive a bill for it.

Continental's Cut.

The company figured on getting out about 5,000,000 feet on the Continental holdings. This had been left with Mr. Currie. The Continental company cut 116,900 feet on the Richards lands and paid no stumpage to the company. They paid the government on what had been returned by Currie on what was known as the Hermon Giroux operation, which was on the Richards lands. Mr. Currie knew of this. He admitted that the Continental had cut more than 7,000,000 feet and paid stumpage on about 4,500,000. Mr. Currie made no comment as to the size of the stumpage.

To Mr. Copp witness said he settled the stumpage because he and Murchie were members of the same political party and that party was in power. The same system obtained for many years.

To Dr. Baxter witness said he had never done political favors.

To the Commissioner witness said the Richards' stumpage bill of last year was in the vicinity of $30,000.

Hon. Wm. Currie.

Hon. William Currie was then called. He had known Archibald Murchie for about twelve years. He remembered Murchie's visit to the office of the Continental Co. Joseph Le Pointe came with Murchie at that time. For a number of years Murchie had been selling food stuffs to the company. He never told Murchie not to make his lumber return too high; did not urge him to reduce the account to four and a half million feet, and made no promises. He had a row with Murchie on the train, but had not asked him to reduce his scale. Witness had never asked any scaler to reduce his cut in any year to any amount, in 25 years experience in the lumber business.

Murchie's Visit

Witness then proceeded to tell of Murchie's visit to his office. Murchie came in, accompanied by Lapointe, and said he wanted to see witness. Witness took him to the inside office and Murchie started to talk about the scale of the Company's cut. Witness was surprised that Murchie should come, and told Murchie that he thought Mr. Richards had settled the matter with him. Murchie took a paper out of his pocket and seemed to be figuring on it and witness said to him "do the best you can with it so long as you do nothing that is wrong." After a little general conversation Murchie started out and witness arose, put his hand on Murchie's shoulder and said, "I am going to give you a tip—don't get yourself in trouble for anyone."

Witness denied that he ever tried to keep Murchie on the job of scaling or that he promised Murchie he would do so. He never used the words that he would not use the axe.

Lumber Left Over

The Continental Company had between 3,000,000 and 4,000,000 feet of lumber left from the previous year. At the time of his conversation with Murchie he had no accurate idea as to the log cut. The company paid little attention to its log cut, paying most attention to the mill cut. In February, 1917 he was electioneering and not paying attention to his business. Richards told him he had settled the stumpage with Murchie. Richards had done that in previous years. The company did not consult him as to the settlement of stumpage.

Witness produced the cheque with which the stumpage was paid. The body of the cheque was in the writing of J. L. Pidgeon, accountant of the company at that period. Witness signed the cheque. Witness had never given consideration to the matter of the stumpage and in all his experience in the lumber business had never tried to influence a scaler to reduce his return. He had not tried to influence Murchie and his affidavit was a fabrication.

Before Elections

Cross examined by Dr. Baxter witness said about a week after Murchie and Richards had discussed stumpage Richards told him about it. It was before the election.

The company desired to get a cut of but 4,000,000 feet and after they had secured it they did not care much about the rest for that amount with what logs they had left from former years would keep the mill running. When Richards said to him that an arrangement had been made with Murchie that the scale would be from four and one half to five millions witness made no remark.

Dr. Baxter—Did you say nothing at all?

Witness—Nothing of importance.

Dr. Baxter—Why not?

Witness—Well it was not my concern.

Dr. Baxter—Of course not, you were manager of the company, that is all.

Quarrel on Train

Referring to the quarrel with Murchie on a railway train witness said that Murchie came at him and said, "I am going to be hard on you fellows this year." Murchie then accused him of putting Jack Carr to scale the mouth of the Charlo River so as to get a report against Murchie. Witness told Murchie that he did not put Carr on and added, "You can't play politics with me, Murchie." This was before the last provincial election.

After the election he was very busy until mid-summer and did not know whether all the loggers had got their cuts out or not. He could not tell wheher Mr. Purvis had all he information in his record book. When the stumpage bill came in he did not attempt to verify the scale from Mr. Purvis' record.

Dr. Baxter—When you paid that bill didn't you have a general knowledge of what your cut would be?

Witness—I might have had.

Dr. Baxter—Didn't you know that the Continental Lumber Company conducted the Giroux operation on the Richards limits?

Witness—Yes.

Dr. Baxter—Will you swear that you paid stumpage to the Richards Company for the logs cut on their limits?

Witness—Yes.

Dr. Baxter—How much did you pay?

Private Arrangement.

Witness—I don't know that I should tell that. It was a private arrangement between he Richards company and the Continental company.

Dr. Baxter—Will you swear that you cut less than 1,169,000 feet on the Richards limits?

Witness—No.

Dr. Baxter—Will you swear that when you paid your stumpage bill of about 4,500,000 feet the Continental company did not have a cut of at least 7,000,000 feet on which stumpage should have been paid?

Witness—I don't know what cut they had. I never thought about it.

Dr. Baxter—You would think it was right for you to adjust a bill for supplies sent you by a dealer if that bill was too small and not correct?

Witness—Yes.

Dr. Baxter—Why didn't you do that with the government on the stumpage bill when it was for a smaller amount than your company had cut?

Witness—I didn't consider it necessary. It was not my concern.

Dr. Baxter—Do you mean to say that?

Witness—It was not my concern.

An Admission.

Dr. Baxter—Wasn't the bargain between Richards and Murchie to put in certain scale irrespective of what the company's cut might be, and wasn't that arrangement made to your knowledge before the company had finished their operations?

Witness—I think so.

Dr. Baxter—Were not logs cut by the company's operators or jobbers after Richards told you of the arrangement with Murchie?

Witness—The company's camp had finished, but perhaps some of the jobbers cut later.

Don't you know they did?

Witness—Not for sure.

Dr. Baxter—When Richards told you about the stumpage arrangement did Mr. Purvis have all the entries in his record book?

Witness—I don't know; I didn't see his book until much later.

Dr. Baxter—As a matter of fact now wasn't the arrangement with Murchie that the company should not pay on more than 4,500,000 feet no matter what they cut?

Witness—I don't know. The arrangement was not different from what we had made in other years. The cut was always estimated to a certain extent.

Returning to the visit of Murchie to the Continental Company's office witness told the story again. He would not swear that Murchie did not say he wanted to see witness about the scale. Nothing was said about retaining Murchie in his position, for as a matter of fact he wanted Murche dismissed.

Denies Political Move.

Dr. Baxter—Did you ever tell any one that you did not want Murchie dismissed, but that Mr. LeBlanc had promised Murchie's position to supporters of the Foster party, and you could do nothing?

Witness—No.

Mr. LeBlanc—If you ever told any one that I would maul you.

Dr. Baxter—Did you never tell that to D. A. Stewart?

Witness—No.

Dr. Baxter—I will refresh your memory a little. I will bring you back to a room adjoining the legislative chamber, and to a lounge in that room where you were in conversation with D. A. Stewart, where you made that statement about Murchie, and where you asked Stewart: What are you fellows trying to do with me?

Witness—I never had such a conversation.

Dr. Baxter—When the government stumpage bill came in to you, did you not know it was too small?

Witness—I never thought about it. It was not my job.

Dr. Baxter—Did you not sign a cheque for it?

Witness—That was a matter of routine.

Dr. Baxter—Do you think you can sit in the legislature while acting as manager of a milling company that gets a bill for stumpage that is too small and you pay not the slightest attention ac to whether it is correct or not? Do you think you can wash your hands of that?

Witness—I can't answer that.

Dr. Baxter—Why?

Witness—It was not my job.

Job in Legislature.

Dr. Baxter—Isn't it your job to sit in the House of Assembbly as a representative of the people?

Witness—The people thought so.

Dr. Baxter—As a member of the House of Assembly isn't it your duty and your job to see that the people and the province receive all the revenue to which they are entitled?

Witness—It is.

Dr. Baxter—And yet this bill came to you for an amount much below the company's cut and you made no effort to rectify it.

Witness—It was not my concern. The scale had been settled by Mr. Richards.

Dr. Baxter—How much have you done to rectify this? Have you ever gone through the bill, compared it with your cut and sent a cheque to the government for what the company honestly owes?

Witness—No.

Dr. Baxter—Did you ever try to?

Witness—No.

Dr. Baxter—Did you ever go to Mr. Richards and tell him he was in error?

Witness—No.

Other Looseness?

Dr. Baxter—Is there any doubt in your mind now that the government got from your company much less money than it was entitled to?

Witness—They got as much from us as from anybody.

Dr. Baxter—Will you swear to that?

Witness—In a general way, yes.

Dr. Baxter—When you were talking to Murchie what caused you to advise him not to get himself into trouble? Had he said anything that would convey a suggestion that he was going to get into trouble?

Witness—No.

Dr. Baxter—Did Murchie suggest a reduction of the scale to you?

Witness—No. At least I don't remember. I suggested no reduction to him. I mentioned that Adelard Melanson and others had cut logs on their own lands.

Dr. Baxter—Why did you do that?

Witness—My purpose was that Murchie would not put their cut in his statement.

Dr. Baxter—But you have already sworn that the stumpage arrangement had been made between Murchie and Richards before Murchie came to see you.

Witness—It had.

Other Lumber Cut.

Dr. Baxter—Then why did you mention Melanson and the others?

Witness—It would not be fair to my board of directors if the cut on private lands had gone in the government stumpage bill.

Dr. Baxter—What was the cut of Melanson and the others you mentioned?

Witness—Oh, sixty or seventy-five thousand feet. I don't know exactly; it was a mere bagatelle.

Dr. Baxter—Then, if it was a mere bagatelle as you swear it was, why did the possibility that it might go on the government bill cause you to worry about a grave injustice to your board of directors?

Witness—Mr. Murchie seemed anxious to draw me into conversation and I was just as anxious to keep out of it.

Dr. Baxter—How long were you in conversation with Murchie on that occasion?

Witness—About twenty minutes.

Dr. Baxter—And yet you can't point to one word in that conversation that gave you any reason to make that remark advising Murchie not to get into trouble?

Witness—"I can't recall anything."

This completed Dr. Baxter's cross-examination and Mr. LeBlanc asked the witness if he did not place before the government all the assistance he could in the direction of having the scaling system improved.

Witness—"Yes."

Who Stole?

Dr. Baxter—A man can't steal from the government and then apologize for it.

Mr. LeBlanc—"Who stole?"

Dr. Baxter—"Mr. Currie."

Witness, with considerable heat, half rising from the witness stand and pointing his finger at Dr. Baxter—"Do you say that?"

Dr. Baxter—Yes.

Mr. LeBlanc—"He stole no more than others who had stolen before him."

Dr Baxter—"No. The lumbermen have been doing it for the last twenty-five years."

Mr. LeBlanc—"Former governments stole. It is handy to be in the government."

Dr. Baxter—"Yes, and handy to be speaker. Some men threatened to resign if they were not given the speakership."

Mr. Currie—You say that because you do not like me.

Dr. Baxter—No, I do not like you or any other man as partizan and as ignorant as you are.

Mr. Currie—I put you in your place.

Dr. Baxter—I would not keep you in yours for you have not the ability to hold it.

Currie Leaves Stand.

Mr Currie then left the stand and Mr. LeBlanc announced that he had no witnesses present to call but he had several witnesses to call in Campbellton. He wanted to prove that Murchie lied and that other lumbermen had done the same thing as Mr. Currie.

Dr. Baxter said he was not interested in other lumbermen, had no brief to appear for them and they had no status in this case and the commissioner's warrant did not authorize him to conduct a general enquiry into the methods of the Crown Land Department although that might be a good thing as the system left much to be desired

After general discussion as to the place and date of the next session of the enquiry, Mr. LeBlanc strongly urging Campbellton, Dr. Baxter favoring Moncton, and Mr. Copp and the commissioner expressing their willingness to go either place, although they thought Moncton would be much more convenient the hearing was finally adjourned until August 6. The place of meeting was not decided upon but it will be in one of the towns mentioned.

CASUALTIES

Ottawa, July 17.—Casualties:

Infantry.

Wounded—

P. A. Cody, North Wiltshire, P. E. I.

Mounted Rifles.

Wounded—

C. A. Stewart, Ashland, N. B.

Forestry Corps.

Ill—

R. E. Breen, Sussex, N. B.

Medical Service.

Killed in Action—

J. S. Morrison, St. John.

Wounded—

J. Parr, Truro, N. S.

OBITUARY

Mrs. Margaret McLellan.

The death occurred yesterday of Mrs. Margaret McLellan, who resided with her son-in-law at 354 Haymarket square. The deceased lady was failing for some time. One son William, now in France, survives, going over in 1914 with the First Divisional Ammunition Column, and has been on duty ever since. The surviving daughters are Miss Edna and Mrs. Joseph Bryne of this city. The surviving brothers, Samuel Hodgson, of Minneapolis; Jakez, New Maryland, York county; William, of Doaktown; Melvin, Marysville, and Ludlow, of McAdam Junction. Mrs. H. Nason, Waasis, and Mrs. Alex. Mott, of Rusigornish are sisters of the deceased.

The funeral will be held on Friday afternoon at 2.30 o'clock from the residence of deceased lady's son-in-law Jos. Byrne.

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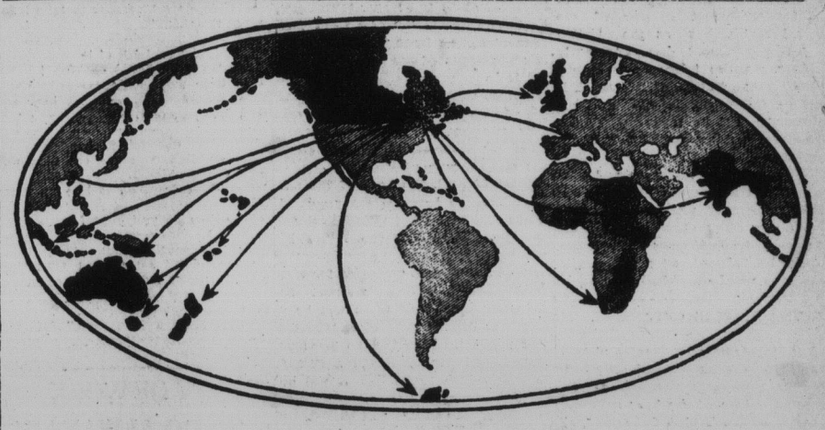

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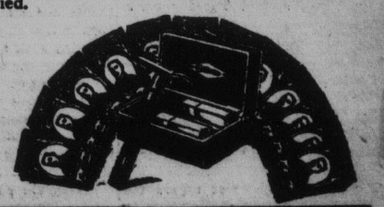

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