RANEY RENEWS **CHARGES OVER** LUMBER DEALS

Moves Second Reading of Bill Confirming Quetico Reserve Settlement.

SAYS ESTIMATES FALSE Declares Shevlin Clarke Manager Had Difficult Job in Double Role.

the subject of litigation between the province of Ontario and the shevlin Clarke Company for many months. Attorney-General W. E. Raney today moved the second reading of the bill for confirmation of settlement on this imber in the legislature.

Mr. Mathieu, the member for Rainy River, was placed in an embarrassing position by Mr. Raney, who, in the purse of his address, referred to him "as a member of the legislature, whose duty was to safeguard the in-terests of the province," and "whose duty as general manager of the Shev in Clarke Company, was to look after the interests of that company, called upon to play two parts at one time." Reviewing the evidence produced in court on the subject, the attorney-general pointed out that in his opinon the reports submitted by the crown timber agent on the timber limits in question were misleading in every respect, with the government on the losing end, and inquired for whose benefit the reports were made He further contrasted the price of \$32.70 per M. for Minnesota pine, paid by American firms, to the report esti-mating pine of equal quality on the Quetico Reserve at \$9 per M.

Further allegations were to the efect that no properly conducted tim-per cruise had been conducted on nese limits, and that the estimate of available lumber was thousands of eet less than that actually on the

Mr. Raney alleged that those re sponsible for the report submitted, including the member for Rainy River, and the crown timber agent, were interested in the Shevlin Clarke Company, and allowed his fellowmembers to draw their own conclusions.

"Did the Shevlin Clarke Company contribute to the cost of the beautiful lifesize lithographs that adorned the billboards of this province just prior to the election of 1919?" he ueried. "No doubt the honorable member for Grenville will know. If so, how much? If not, was the company no Objections Reviewed.

ttorney-General Raney spoke as

on March 2nd the honorable member for Grenville drew the attention of the House to the newspaper report of a discussion of settlement of the S. vlin Clarke litigation. There, no intimation then of the terms of the settlement, but the member nevertheless tok the House that he desired to protest in the most vigorous language he could command against any settlement of the litiga-

"It was not surprising, therefore that when the terms of the settle-ment were announced the other day the member for Grenville should at once have denounced the settlement as a political dodge designed to discredit the late minister of lands and

doubtedly was very valuable timber guard the interests of the Province of "Mr. Ferguson alleges that this

"The issue of this license was a violation of the stage it is not uncommon far the same time. The government there plays two parts at one and the there was take the same time. The some time is askatchewana t 3_{000} points the there was the third action in the measure price of the court of appeal to be the same time. The some time is askatchewana t 3_{000} points the there was the third action in the measure price of the court of the third time is a verage price of more than 3_{20} per thussand he himself sold a dore that the auditor-general's report of the seesion. There would not be a special examination of both the seesion. There would not be a special examination of both the seesion is 1917, and was a young man named Allan Mas. the same time a work are to that will be found the seesion. There would not be a special examination of both the seesion. There would not be a fourt volume stabled during the early days. the same time as a verage time of more than 3_{20} per thussand he public competition. The third cheft character, or the time of the time as a verage price of number of the time as contained in the there was the third ecompany would have decompany would have been company the see stabilished in evidence of the time. The answer to that will be found the government would confirm the sale at price that might be fourt to be the fair time argent at the fair time argent at the fair the fair time argent at the fair woor the fair the fair the fair the fair the fair the fair time argent at the second the the decompany the fair th

be found by the court to be the fair timber agent in 1919, and one or two value at the time of the sale, and others.

Allan Macdonald?

age of the riding.

Watts as follows:

situation.'

ments.

Frances early in 1916, on the nomi-nation of Mr. Mathieu, who as mem-

ber for Rainy River had the patron-

Timber on Berth 51.

department, after some correspond-

"Now we are ready for the docu-

"On the 24th of August, 1917, the

nce with the Shevlin Clarke Com-

pany about berth 51, wrote to George

Watts, crown timber agent at Fort

Frances, inquiring whether he had

berth 51. Mr. Watts answered on

Frances office had no definite infor-

nation. Then on the 6th of Septem-

"'Have examination made at

once of berth 51, and report fully

as to quantity of red and white pine and other timber. State its

condition, and give opinion as to

its value having regard to its

ame a letter to the departmen

inclosing what purported to be a re-

port to him from his assistant. Mac-

donald, pursuant to the request of

he department. I invite your at-

tention to the terms of this report,

"Sir,-Acting on your instruc-tions I went to limit No. 51 and

estimated the timber thereon,

and beg to report as follows:

24,900,000 feet of pine, 40 per cent

of which is white, the balance is

red pine. The white pine is large

and considerable of it punkey.

The red pine is of fair quality

except along the shores on the

rocks, where it is small and

scrubby. There is some spruce,

balsam, poplar and birch scat-

tered throughout the limit, but

not in sufficient quantities to be

thousand feet a fair price for this

"'(Sgd.) ALLAN MACDONALD."

"Macdonald did not have his foot

n the limit. During the time that

lapsed between the telegram from

the department, a matter of 23 days, he was sitting around the Fort Frances office. He knew nothing

about the limit when he wrote the

Listen to his evidence at

"'Your obedient servant,

would consider \$7 per

of any commercial value.

"'Sept. 29, 1917.

because every word of it was false:

"'Crown Timber Agent, "'Fort Frances, Ont.:

'George Watts, Esq.,

om Watts, the crown timber agent,

"Then after a decent interval

ber the department wired to Mr

the 29th of August that the

any information about the timber on

ago: "The provisions of the regulations made under the crown timber act, R. S. O., chapter 29,

which in my opinion govern this transaction, disclose a policy legislatively declared which legislatively should be rigorously enforced by the court and all attempts, whether honestly made or not, to defeat it by circuitous methods defeated.

"'The agreement and license in question was entered into contrary to the express provi-sions of these regulations in two respects: (1) there was no pub-lic competition (2) the license was granted in a binding manner for a period of five years instead of twelve months; and therefore cannot stand. Nor do the provisions as to brush burning avail to take the contract out of the statute. Methods of brush destruction, and the cost thereof, were at the time of the contract well known and easily ascertainable, and assuming the good faith of the departmental officials as I do in this respect; the said agreement and license, notwithstanding the brush burning condition, was in fact nothing other than a license to cut timber on ungranted public lands, and being made in the teeth of the regulation, was, and is, null and void initio on the short ground that the acts of subordinates are

subject to the rule of law. "'In view of this opinion by the terms of the agreement of 27th August, 1921, the company

must pay for all pine timber cut but not heretofore paid for, or hereafter cut or agreed to be cut upon said berths as well as for pine timber already cut and paid for, the fair value thereof, as at the date of such license in lieu of the price mentioned in the license hereinbefore referred to. "In appreciating the situation as to what was the fair value of such pine timber at said date I taken into consideration and given full weight to all the factors disclosed by the evidence which entered into the price to be paid for stumpage in the locality in which this particular stumpage was situated and not without anxious deliberation upon and digestion of the mass of facts and figures submitted I have come to the conclusion that the price was much too low. "'I find that the fair value of

the pine stumpage on these berths at the said date was \$17.60 per thousand feet log scale, Doyle rule, exclusive of Crown dues but including the burden of brush burning instead of the price provided in the license, viz.; \$7.00.

report. He was simply drawing upon his imagination, and he knew nothing whatever of the value of the "The evidence shows that 16 .-36,915 returne

River, whose duty as a member of Saskatchewan Granted Additional

comply in this transaction with the a thoroughly qualified witness, was "Mr. Justice Logie gave the com-requirement of the law that all sales 110,000,000 to 120,000,000 feet. The pany the benefit of the doubt and 000 for the settlement of the untried pany was not the only party guilty value at the time of the sale, and others. the case proceeded to trial on that basis. Judicial Decision. The minister of lands the relations that existed in 1917 and 1919 between the minister of lands the relations that existed in 1917 and 1919 between the minister of lands the relations that existed in 1917 and 1919 between the minister of lands the relations that existed in 1917 and 1919 between the minister of lands the relations that existed in 1917 and 1919 between the minister of lands the relations that existed in 1917 and 1919 between the minister of lands the relations that existed in 1917 and 1919 between the minister of lands the relations that existed in 1917 and 1919 between the minister of lands the relations that existed in 1917 and 1919 between the minister of lands the relations that existed in 1917 and 1919 between the minister of lands the relations that existed in 1917 and that it will be relations that exis TORONTO, March 28.—Thoroughly reviewing the history of the gue-tico Reserve timber, which has been the subject of litigation between the minister of litigation between the months government of the day, as they had

the price of \$8.50 per M. He tells us in his evidence. He took it from the overnment of the day, as they has and many of whom were either dom-or had gone out of business alto gether before 1917. price fixed by him for berth 51 in petition, and

"Well, Macdonald was a young Interests of Province. "Who was looking after the inter-Fort Frances man in his early twenties, who was appointed by the minests of the Province of Ontario in ister of lands and forests to be asthis transaction? sistant crown timber agent at Fort

in this transaction of 1919? "Not the member for Rainy River. "Not Jones, the crown timber gent, because he was an exfor he was looking after the Shevlin agent, Clarke interests; not the youngster Macdonald, the assistant crown employee of the Shevlin Clarke Company and was nominated by Mr Mathieu to the office; not the memlands agent, because every word of his false report was in the interests of the Shevlin Clarke Company: not

Watts, the crown timber agent, bereport in 1917: not the minister, for cause he dictated and was a party to he was still asleep at the switch and the false report; not the department timber worth more than \$2,000,000 here in Toronto, because it made not was sold for less than \$1,000,000. the least effort to ascertain the qual-

ifications or the honesty of Macdonald whom the department and the "In the considered statement is minister knew to be the nominee of sued by the member for Grenville late minister of lands and forests the contract, so that if the settle-

feet of pine on berths 45 and 49 in the best price that had been realized to 120,000,000 feet, so that under this bazards. 1919 was no more reliable than his by the department up to that time judgment the Government stands to the other day in the House the tively unimportant matter."

in the Rainy River District. That collect from \$1,000,000 to \$1,250,000 member for Grenville protested above the original contract price. worse for the Province of Ontario. "Then there was the action in re- the government was under obliga-Appeal Judge At \$9,000 Annually was probably the, but so inter the action in re-bave confined himself to the Rainy been commenced. The basis of that the result of the intervention was the charge that the result of the result ision in the statutes or regula-tions allowing an exception to the clear provisions above set out. "The issue of this license was a violation of the law of the province."

1917, and admits that he knew noth-"3. At an upset price fixed by such of two years. ing about the value in either case. valuation.

"Then who was looking after the interests of the Province of Ontario answer.

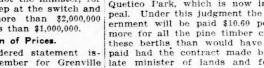
the only company in Canada that formance of its contracts in \$500, share of the loss due to the miscon-could burn brush? "Now a word as to the settlement. \$450,000 in approved bonds.

Actions in Court.

against the Shevlin Clarke Company. One in respect of berths 45 and 49 ernment had security to the amount that I trust that his litigation will Quetico Fark, which is now in ap- of \$150,000 in cash and bonds in re- prove the culmination of a system of peal. Under this judgment the Gov- spect of these two properties. As a mismanagement of the timber reernment will be paid \$10.60 per M. more for all the pine timber cut on these berths than would have been were as a matter of law probably re-is accomplished the mere matter of

the manager of the Shevlin Clarke Company, which was buying the tim-ber. "Macdonald's report of 42,000,000 Quetico Park berths 45 and 49, was "Macdonald's report of 42,000,000 Quetico Park berths 45 and 49, was "Macdonald's report of 42,000,000 Company, which was buying the tim-ber. "Macdonald's report of 42,000,000 Company, which was buying the tim-ber. "Macdonald's report of 42,000,000 Company, which was buying the tim-ber of the solution of the soluti

"There were three actions pending





ber for Rainy River; obviously not Macdonald, who had made the false Question of Prices.

FIVE

"2. Offered by sale by public com- three years, and if conditions call for ment is responsible in a degree so it, has agreed to a further extension far as contractual relations are concerned for the acts and conduct of

"The company on its part as- previous governments. In that view "That will be for the minister to sumes the entire fire and tempest there was an obligation I think on "Was the Shevlin Clarke Company the government security for the per- sume on behalf of the province a tive and representatives of the province.

"In conclusion, permit me to say paid had the contract made by the leased by the judgment nullifying dollars and cents involved in this

Reasons for Settlement. "Under the old contract the gov-

the government will be a compara-

from this objection he re rded two other specific objections: that in making a settlement of the litigation on a basis that will realize for the province from \$1.250,-000 to \$1.500,000, the government was settling for too little.' He said the government ought to insist on being paid for every foot of the 350 udd nillions of overrun, as found by the ioners on the timber inquiry "Then in the next breath he de-

nounced the settlement on the ground that the judgment of Mr. Justice Logie with regard to the Quetico Park berths 45 and 49 was not well founded.

"He said that no reputable lawyer could be found in Ontario who would say that the judgment would be affirmed in whole or in part on an appeal. In other words, the objection peal. In other words, the objection was that the government was getting too much out of the settlement. "These arguments, like the Kiltoo much out of the settleme

"These arguments, like the kil-kenny cats, are mutually destructive, from 100,000,000 to 120,000,000 feet kenny cats, are mutually destructive, but as the honorable member has an-nounced his intention of dealing at length with the subject on the second reading of this bill I crave the in-view as briefly as I may the facts leading up to the settlement, which the converse shall be view as briefly as I may the facts leading up to the settlement, which the converse shall be the government proposes shall be House I propose to dis uss some matconfirmed by this bill

Interim Report Clauses.

"The interim report of the timber mmission, which was made in October, 1920, contained these paragraphs: "The statutes provide that the

minister of lands, forests and mines may grant licenses to cut ungranted public timber land, subject to conditions, regulations and restrictions as may from time to time be prescribed lieutenant-governor in

"'On March 7, 1914, during Sir William Hearst's incumbency of the office of minister of lands, forests and mines, regulations were prescribed by the sigutenant-governor in council which thereby became binding in law upon the minister.

"'One of the said regulations required that the "limits shall be offered for sale by public competition" at an upset price after public notice, and that they 'shall be awarded to the highest bidde

'On August 30, 1919, without notice to the public and without competition he caused a license to be issued to the Shevlin Clarke Company for berths 45 and 49, in the Quetico Forest Reserve, about 21 square miles in extent, which he swore was "a very fine stand of pine," and which unto the department as the amount cut in the seasons 1919-21, and this amount has been accepted by the plaintiffs for the purposes of this action as correct.

"'On this basis the defendants are indebted to the Crown in the sum of \$169,991.29 for pine timber already cut for which sum there will be judgment for the

Effect of Judgment.

plaintiffs. "'The defendants will also pay to the Crown the sum of \$17.60 per 1,000 feet log scale, Doyle rule, on all timber cut, but not yet returned, as well as on all pine timber still remaining uncut when cut by them."

the trial: Macdonald's Evidence. 'Question - A request had come from the government in the form of a telegram dated September 6,

imber.

timber.

1917, signed by the deputy minister, and addressed to Mr. Watts, crown timber agent: 'Have examination made at once of berth 51 and report

ully as to quantity of red and white pine and other timber. State its ondition and give your opinion as to its value, having reegard to the situation.' Do you recall that telegram?

'A-No. But it is possible that I saw it.

 $^{\circ}Q$ — Then an intermission takes place from the 6th September to the Translated into dollars the effect of the judgment was that the com-29th September. Was any cruise of the limit made during that period? 'A-Not to my knowledge.

'Q-And then after a time elapses luring which it is possible a cruise

"Now with the permission of the your signature on this sketch, Mr.

ters that were brough' out in evi-dence in the trial of this case that: Macdonald? 'A-Yes. 'Q-Dated September 29, 1917, putng an estimate of the amount of and grave interest to the members of the timber on each particular secion of the limit?

this House. "You will recall that the transaction that was in issue in the action that was tried by Mr. Justice Logie took place in the summer of 1919, just prior to the last provincial election. But the evidence introduced another transaction that took place between the Shevlin Clarke Company and the late government in the summer of 1917, just prior to the Dominion elec-

That transaction was the sale of Berth 51 in the Quetico Reserve. "The facts in this transaction did not come to the knowledge of the

'A-Yes It appears to be my andwriting. 'Q-Where did you get the figures hat you put on each particular secion of the limit, Mr. Macdonald? 'A-From Mr. Watts. 'Q-Had you any knowledge of hem yourself?

'A-(No answer.)

'Q-Did you do that?

'A-No. 'Q-None whatever? 'A-No.'

Work of Underlings. not come to the knowledge of the government till the trial last De-cember of the case in respect of berths 45 and 49, but it will be con-venient to deal with the case of to be one of the finest stands of pine in order of date and because it was in a sense the foundation for the transaction of 1919. berth 51 first, because it came first in Canada? So far as appears, the trial, that he had no qualifica-

Parties Involved.

"Now let us first get the parties to these transactions, the characters so to speak in the drama. "First and foremost was the minster of lands and forests, the mem- estimate of 76,000,000 feet of pine for ber for Grenville, whose role it was to safeguard the interests of the "This fa

"This false report was the work of Province of Ontario. underlings, Watts and Macdonald "Secondly, there was Mr. Mathieu, Macdonald says that Watts dictated the honorable member for Rainy the false report to him. But who

WATSON'S SPRING FASHION WEEK! R. LEO

Dress Up! Says Easter To All Mankind!

All the world is dressing up for this occasion---an occasion that officially marks the opening of the Spring season.

And right now we have never presented a finer stock, never so complete, at prices so alluring. Men who have shopped everywhere tell us that there are no equals in values anywhere. We've known that right along-so have hundreds of others who have bought from us. In time you, too, can find out what you can get in real values here. We sell exclusively Semi-Ready Tailored Clothes for Men.

\$28 to \$55

Representing some of the best values offered in years. Involving a selection that includes all the popular styles-four-button and sport models, with sizes and patterns for every man who comes to this store.

R. LEO WATSON

THE MEN'S SHOP OF LONDON.

183 DUNDAS STREET

Constant 1