

PUBLIC WORKS DEPARTMENT

ASTONISHING REVELATIONS IN AUDITOR MILLER'S REPORT ON CROWN LANDS DEPARTMENT ACCOUNTS

Government Asks Lieutenant-Governor Tweedie to Pay \$8,110 Interest Into Provincial Treasury—The Governor Disclaims Responsibility and Intimates That Others Were to Blame—He Paid \$13,686.76 Two Years Ago to Close Suspense Account.

The provincial government has called upon Lieut. Gov. Tweedie to pay into the crown lands department the sum of \$8,110, which it is claimed is due on account of certain transactions between the government and certain parties, chiefly lumbermen, in the early nineties, when Mr. Blair was premier.

AUDITOR MILLER'S REPORT

Montreal, July 17, 1908. Hon. W. C. H. Grimmer, Surveyor General, St. Stephen, N. B.

REPORT ON CROWN LANDS SUSPENSE ACCOUNT INVESTIGATION.

Dear Sir:—In the course of my investigation into the books of the Crown Lands Department, I came across certain items which I felt it was my duty to draw the attention of your government to.

Dear Sir:—I enclose herewith the papers presented by me to the executive government on Friday along with your reports re Crown Land Investigation. It is the wish of the government that you should show the matter to the holder of the cheque No. 471 in favor of W. P. Flewelling, dated 13th October, 1896, and what is the purpose of ascertaining the state of affairs in the Crown Land office.

Acting on the instructions of your government, I proceeded to make a thorough investigation into this suspense account and append hereto schedules showing the items from the time the suspense account appears in the Crown Land books to the date when it was paid off in full.

(4) A letter dated 2nd of April, 1894, addressed to R. Inglis, Esq., manager, Bank of British North America, Fredericton, signed L. J. Tweedie, surveyor general, and marked approved, July 18th, 1896, A. T. Dunn, surveyor general.

(5) Copy of letter addressed Hon. L. J. Tweedie provincial secretary, Chatham, dated 8th October, 1896, and signed W. P. Flewelling, also memo of same date, which apparently accompanied the letter.

(6) Telegram from St. John, N. B., dated 22nd September, 1896, addressed to W. P. Flewelling, signed L. J. Tweedie and A. T. Dunn.

(7) Letter addressed to Hon. L. J. Tweedie, dated 13th October, 1896, and signed W. P. Flewelling, which explains the matter.

(8) A letter dated 2nd of April, 1894, addressed to R. Inglis, Esq., manager, Bank of British North America, Fredericton, signed L. J. Tweedie, surveyor general, and marked approved, July 18th, 1896, A. T. Dunn, surveyor general.

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When discounted practically closes the Hon. L. J. Tweedie's account as at that date and does not appear to have any connection at all with stampage. By following the items in Schedule 1 it will be seen that this draft was removed from time to time and interest all being charged to account "Hon. L. J. Tweedie," it will be seen in Schedule 5 that on 31st August, 1896, the receiver general's department issued a cheque for \$2,300 (No. 424) in favor of the Bank of British North America to take up this note of Salter's which had been apparently reduced to \$1,800 along with a note of Richards' for \$500.

It is interesting to note that this note was given as matters dealt with in my letter to His Honor, dated 18th June last.

TRANSACTION D—W. RICHARDS, \$603.40 NOTE STUMPAGE.

This is another case of stampage not being met by the approper debtor and taken up as shown in Schedule 5 with the cheque mentioned in transaction C, cheque No. 423 dated August 21st, 1896, for \$340 being issued by the receiver general's department to pay the interest due thereon.

TRANSACTION E—J. B. SNOWBALL, \$1,800.38 DRAFT STUMPAGE.

This is a case of stampage not being met by the approper debtor and taken up as shown in Schedule 5 with the cheque mentioned in transaction C, cheque No. 423 dated August 21st, 1896, for \$340 being issued by the receiver general's department to pay the interest due thereon.

TRANSACTION F—J. T. STUMPAGE, \$1,000.00 NOTE STUMPAGE.

This is a case of stampage not being met by the approper debtor and taken up as shown in Schedule 5 with the cheque mentioned in transaction C, cheque No. 423 dated August 21st, 1896, for \$340 being issued by the receiver general's department to pay the interest due thereon.

TRANSACTION G—THOS. HETHERINGTON, \$1,200.00 NOTE STUMPAGE.

This is a case of stampage not being met by the approper debtor and taken up as shown in Schedule 5 with the cheque mentioned in transaction C, cheque No. 423 dated August 21st, 1896, for \$340 being issued by the receiver general's department to pay the interest due thereon.

TRANSACTION H—ST. LAWRENCE LUMBER CO., \$1,000.00 NOTE STUMPAGE.

you will be sufficiently conversant with them to comply with this request, without incurring too much upon Your Honor's time.

In the Crown Land Office there is a ledger which I have called for the sake of identification "Cash Ledger B," and if you could find time to look at page 224 therein you will see the account which is made up in the following manner:

The account runs to page 246 and therefrom to page 258 and covers the period from 29th February, 1893, down to 8th October, 1896.

I should like, if Your Honor would give me any information possible with regard to the following questions, which I now respectfully submit:

(a) Who is W. M. Salter?

(b) Can you give me any explanation that will help me to understand better the entry appearing on the foot of page 224 in the Crown Land Ledger, where Mr. Salter appears to have given a note for \$1,800, due 8th April, 1894, and which note was discounted and placed to the credit of the account and thereby the account was practically closed by this cheque?

(c) Can you remember the manner in which the payment was made?

(d) Can you give me any explanation of the fact that the cheque for \$1,800, drawn by W. P. Flewelling on yourself, I cannot place this just satisfactorily, and it may be that you can give me some explanation of what led to this transaction?

(e) I enclose copies of certain papers marked "Copies No. 2," and would like to have as full an explanation as Your Honor can give with regard to those documents and what bearing they would have on the late Deputy's accounting.

(f) I enclose a copy of a letter, dated 21st April, 1894, addressed to the manager of the Bank of British North America, and trust that you may recollect the matter sufficiently well to give me the reason for the Deputy requiring the overdraft referred to.

(g) Do you have any recollection of the reasons given by Mr. Flewelling for requesting this \$15,000 overdraft to be increased to \$25,000?

(h) If your honor will permit me to ask another question, in this connection, it would be a general one with regard to those overdrafts, i.e. Do you recollect the representations that were made to you at any time in connection with the granting of these overdrafts, because it seems strange why the Deputy should have required them when he was receiving the warrants regularly and should have had funds sufficient to attend to the demands of the different services pertaining to his department?

(i) Can you honor recollect if this blank bill would be the only one you have given with my explanation. I telegraphed Mr. Miller that I was waiting to get a statement from Mr. Robinson, but for some reason he took no notice of my telegram and did not wait for the explanation which I desired to give.

(j) The report, unintentionally I have no doubt, is calculated to create the suspicion that the increase of the overdraft at the Bank of British North America on the 26th day of October was in some way connected with my payment of \$13,686.76 three days previously to the deputy receiver general. The overdraft was arranged for by the Honorable Mr. Swearer, receiver general, without my knowledge and when I was not at Fredericton at all.

(k) With regard to these items I may say: The item, M. F. Richards, \$401 was an assumption by me of an amount due from him in connection with the purchase of Crown Lands. There were business transactions between us which were settled and this assumption was made by me at his request. The interest on this ought to be paid by me, and it was through inadvertence that the amount was not done.

(l) The Thomas Hetherington item, \$1,200 originated in a note taken by me as receiver general from Mr. Hetherington for stampage. This note originally was for \$1,180 and was dated the 30th day of October, 1891. It was retired by a note of Mr. Hetherington in favor of the receiver general for \$1,200 dated December 23rd, 1892, and was endorsed by him pay-

me to call upon you for the interest on this Crown Land suspense account, and according to said herewith interest schedule 1 and 2, showing a sum of eight thousand one hundred and ten dollars and seven cents (\$8,110.07) due.

On page 402 in the Receiver General's Ledger under the heading of Crown Land suspense, I find the entries before referred to amounting in all to \$10,763.17 transferred, and in addition, there are three other items amounting in all to \$2,921.90, and bringing the total debit of the suspense account up to \$13,686.76, at which figure the balance remains till date of settlement. Any explanation that you can give me on these three entries will be appreciated.

I have the honor to be, Sir, Your obedient servant, ROBERT MILLER, C.A., C.A. (Scott.), F.C.A. (Can.), Auditor.

In reply to this letter His Honor was pleased to grant me an interview on Friday, 19th inst., at which interview certain statements were made which I duly communicated to your Premier, and after due deliberation it was decided that I again write to His Honor, which I did in the following terms:

Montreal, June 30th, 1908. Your Honor:—With reference to our interview of Friday, 19th inst., as arranged, I have communicated to your Premier the information which you gave me as early as a date as is convenient to you.

I have the honor to be, Sir, Your obedient servant, ROBERT MILLER, C.A., C.A. (Scott.), F.C.A. (Can.), Auditor.

able to the Bank of British North America. When and after this note was given to the receiver general I had nothing to do with the matter until, in October, 1906, I paid the amount of the note as it was charged in this suspense account. These notes I exhibited to the auditor and explained the transactions to him, but his doublet has forgotten to make mention of the fact.

The Salter item of \$1800 was not a personal matter. It grew out of transactions in the Crown Land office. As is very often the case several parties desired an extension of time. I accommodated them, and to keep the accounts square I took a note from my clerk, Mr. Salter, who attended for me to all the Crown Land business on the Miramichi.

All the other items referred to by Mr. Miller represent stampage transactions, but for the settlement of these I was not and am not liable. I repeatedly urged the desirability of settling these items upon whose duty it was to see that they were settled. Mr. Babbitt, the deputy receiver general, is aware of my efforts in this behalf. Not being able to secure the payment I at last in the month of October, 1906, feeling that the public might regard me as in some measure responsible, since the transactions had been in my department, paid all the notes to the amount of \$13,686.76 out of my own pocket. At the same time I paid \$127 due by a printer of Restigouche, who had entered into a contract with the former premier and had been advanced \$300, but who had only done \$173 worth of work.

I know nothing whatever about this transaction except that the province had not the money, and therefore I paid it. When the auditor applied to me for information I explained these matters to him privately, and told him that nearly all the parties concerned were dead, and rather than bring their names up and give publicity to the transactions I would pay the interest on a full investigation of the facts, Mr. Hazen should be to the conclusion that I was in any way responsible.

I was very much surprised when the auditor informed me that he was instructed to call upon me for the interest. I then explained to him that I had paid a large amount of money for which I was under no responsibility, and I did not see why I should be called upon to pay interest on principal that I was not responsible for.

I showed the auditor the Hetherington note, payable to the receiver general and endorsed by him, which he took a copy, and I asked him if he thought that nearly all the parties concerned were dead, and to pay interest on that. He said, "Yes, having paid the principal, you ought to pay the interest too."

Fortunately I can corroborate my statements by evidence which should satisfy any reasonable man even if there is any force in the interest Mr. Miller draws that I should pay the interest because I paid the principal.

The following is a letter I received from Mr. James Robinson: "Millerton, July 27, 1908. "Dear Sir:—In regard to my note for \$1800.28 which is referred to in the report of Auditor Miller, I have to say that this amount should have been paid by Mr. Blair and not by you. I understand that you had a full amount, and in doing so you have done more than should have been required of you as you were not personally liable."

Yours etc., (Sgd.) JAMES ROBINSON.

One would infer that I have paid all the interest that was paid in connection with these items. This is not correct. I do not care to go into matters in detail in this letter. I have this day given to Mr. H. A. Powell, K.C., all the information and documents I possess for his opinion with respect to my liability for the interest claimed by the auditor. If he is of the opinion that I am liable either legally or morally I will act accordingly.

Yours truly, (Sgd.) L. J. TWEEDIE.

Dear Sir:—Relative to my note for \$1800.28 which is referred to in the report of Auditor Miller, I have to say that this amount should have been paid by Mr. Blair and not by you. I understand that you had a full amount, and in doing so you have done more than should have been required of you as you were not personally liable.

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Yours etc., (Sgd.) JAMES ROBINSON.



THE WEATHER. Fresh west to north-west winds, a few scattered showers or thunder storms, but mostly fine and turning cooler. Saturday, fine and comparatively cool.