
Notice to Advertisers.

In order to ensure changes being made in advertisements, copy must reach this office not later than 9 a. m. on the day of publication.

The Daily Mail

The Weather.

Fresh winds, cloudy with local showers today and on Thursday.

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FREDERICTON, NEW BRUNSWICK, WEDNESDAY, MARCH 19,

TWO CENTS PER COPY

The McQueen Report is Brought Down in House

Report on the Potato Enquiry is Now Public Property—A Shocking Case of Bungling, Incapacity and Deception by Members of the Old Government—Conduct of Hon. J. A. Murray, Hon. B. F. Smith and Geo. B. Jones, M. P. P., is Roundly Condemned.

EXTRACTS FROM THE REPORT.

No tenders were called for, but names of certain persons were selected, and these given a preference over all others. The names disclosed are the persons referred to.

Within this circle still another preference was extended, this time to the Hon. B. F. Smith, afterward Minister of Public Works in the late Government, and one of the present Members for the County of Carleton; this privilege never should have been granted, was shamefully abused, and is one of the chief causes for the loss sustained.

The balance of these potatoes were not accounted for, and outside of the culls, which were traced to some extent, appear to be a total loss to the Province. A large number of these were sold by Mr. Daggett to parties in St. John and were never credited to the Province. These he should be made to account for.

The returns for the potatoes so sold (amounting to \$8,499.46) never passed through the books of any of the Departments of the Province. This amount was swallowed up in the expenditures and an attempt made to induce the public to believe that at least \$32,861.39 had been received by the Province on account of such sales.

The arrangement made with Tennant by which this money was to be taken out of the Province as disclosed, is one which the late Government never should have consented or agreed to and is censurable from every standpoint, as it was obtained by Tennant under an illegal agreement and paid by him for an illegal and improper purpose, and should be returned to the Province.

Certain statements made by Geo. B. Jones under oath on the Stevens' inquiry were in direct contradiction to those made by him on this inquiry and the sworn evidence given by him on the Stevens' inquiry that he had no knowledge of what became of the \$40,000 in cash which Tennant took out of the bank as part of the proceeds of a cheque for \$100,000, was false and untrue.

The Hon. B. F. Smith was advanced by the late Government \$2,375.70 on the purchase of potatoes which the Province never received.

The late Minister of Agriculture, the Hon. J. A. Murray, borrowed money from A. C. Smith & Co., contractors with his Department during the time the shipping and handling of these potatoes were being carried on, and this loan is so mixed up with the public business of the Province that I am unable to report whether the \$1,500 returned to Smith was this private loan or money which belonged to the Province.

The much talked of report of Commissioner James McQueen, who conducted the Patriotic Potato enquiry was brought down in the Legislature yesterday afternoon by the Provincial Secretary-Treasurer. It is a very interesting public document and, dealing as it does with one of the most disgraceful transactions, involving fraud and deception, in the history of the Province, will no doubt be eagerly perused by the people.

At the outset Commissioner McQueen gives some particulars as to the power given him under the Commission issued by the Lieutenant-Governor-in-Council. Besides all matters pertaining to the purchase and shipment of patriotic potatoes, he was empowered to investigate the disposal by George B. Jones, M. P. P., or any person or persons, of the sum of \$61,500 or any part of \$100,000, or any part of either of them or any other sum or sums into which the same may be converted, to or through the hands of any person or persons, firm or corporation to whom the said moneys may have been paid by the said George B. Jones or William B. Tennant, and to or through the hands of any other person or persons, firm or corporation, to whatever extent may be deemed in the public interests.

During the whole of the enquiry the Commissioner was attended by Mr. Peter J. Hughes, of Fredericton, as Government counsel, and for a portion of the time by Mr. F. R. Taylor, K. C., and Mr. H. A. Powell, K. C., who appeared on behalf of Hon. J. A. Murray, former Minister of Agriculture.

Those Who Testified.

The witnesses examined included Rev. J. B. Daggett, former Secretary of Agriculture; W. A. Loudoun, Comptroller General; C. B. Furlong, manager of the Bank of N. S., East Florenceville; G. N. C. Hawkins, manager of the Bank of Montreal, Fredericton; R. C. Elkin, St. John; F. deL. Clements of Kingsclear; H. Colby Smith, St. John; H. A. Bailey, Manager Bank of Montreal, Moncton; F. W. Sumner, Moncton; Leslie A. Slipp, South Devon; William Cruikshank, late Deputy Provincial Treasurer; W. B. Tennant, St. John; Geo. B. Jones, M. P. P., Apohaqui; H. H. Morton, former clerk in the Agricultural Department; P. F. Blanchett, chartered accountant; W. S. Thomas, manager Bank of N. S., Fredericton; Hon. B. F. Smith, M. P. P., East Florenceville; John S. Eagles, St. John; Hon. J. A. Murray, M. P. P.,

Sussex; James H. Crocket, Fredericton, and Hon. J. B. M. Baxter, M. P. P., St. John.

A Token of Loyalty.

The Commissioner quotes Rev. J. B. Daggett as stating that the contribution of potatoes to be given to the Motherland, as a token of the loyalty and attachment of the people of New Brunswick to the Throne, was estimated to cost \$75,000. The purchasing and transportation was to be carried out under the direction of the Minister of Agriculture, upon whose order all payments were to be made. Mr. Daggett further disclosed that the sum of \$75,000, first granted for the purpose was found insufficient and that a further order in council was passed on October 27th, 1914 increasing the grant by \$75,000, to make up the deficiency and also to assist in the relief of the Belgium people.

The Commissioner finds that after the \$150,000 was expended there was a further expenditure of \$3,505.75 which the Auditor General was required to provide for on the personal application of Hon. J. A. Murray. Mr. Murray is quoted as saying "I desire to say that when our final returns are

in the amount of such expenditure will be reduced so as to be well within our appropriation made for that purpose".

Cost Over \$150,000.

When the final returns come in says the Commissioner, instead of the last mentioned amount being paid off as promised by Hon. Mr. Murray there was a floating liability of \$32,861.39 which was taken care of as hereinafter set out, making a total expenditure of \$153,505.75 after giving full credit for all final returns on the purchase of 68,603 bbls. of potatoes, only some 51,000 bbls. of which were required and used for Patriotic purposes and to assist in the great war struggle. The way in which this patriotic gift was handled through the Hon. J. A. Murray, the late Minister of Agriculture, as stated under oath by his former Secretary is a remarkable disclosure, and if sworn proof and documentary evidence had not been produced before me in support thereof, would be almost incredible. I would, therefore, suggest that the records herein be bound and preserved as a book of reference for future statesmen not to follow."

Mr. Smith's Big Drive.

After dealing with Mr. Daggett's activities in connection with the purchase and shipment of potatoes, the Commissioner says:

"The Hon. B. F. Smith admitted that his total shipment for both Imperial and Belgium consignment was 43,631 bbls. and the exhibit filed as number 6 of the evidence supports this statement. Mr. Daggett further admitted that Hon. B. F. Smith's supply to the Imperial Shipment alone was 31,685 barrels out of a total of about 40,000."

How B. F. Was Favored.

The Commissioner finds that there was no written agreement as to the sale and purchase of potatoes, but a verbal agreement had been entered into with Hon. B. F. Smith. This agreement set forth that Mr. Smith was to purchase the potatoes, paying the farmers \$1. per bbl. and was to receive 10 cents per bbl. commission for buying and loading and was to stand any shortage which there might be in St. John. Mr. Smith had a special agreement to finance these purchases which did not apply to any of the other shippers.

This arrangement Mr. Daggett stated was as follows:—"Mr Smith was to make a draft on me at the Department for sufficient to pay for the potatoes. The drafts were not to be paid until these potatoes were raked out and the shortage and condition of the potatoes ascertained."

Was Twice Paid.

Mr. Daggett stated in his evidence that the rejected potatoes were thrown back on the shipper's hands and afterwards sold by him as agent for these shippers through A. C. Smith & Co. and that the receipts for the sales were remitted to them. If this statement be correct, says the Commissioner, then the Hon. B. F. Smith was twice paid for these rejected potatoes—once in the manner suggested by Mr. Daggett and secondly when his drafts were accepted and paid in the first instance.

Nnt Accounted For.

Commenting on the discrepancy in the versions of the agreement given by Mr. Daggett and Mr. Smith the Commissioner says:—

"This condition of things can be accounted for honestly only by accepting Mr. Daggett's version of the agreement: for if Hon. B. F. Smith's view it to be taken (that the rejected potatoes were to be the property of the Province) then the Department of Agriculture and its official when presided over by Hon. J. A. Murray had misappropriated and misapplied the monies of this Province to the amount received by them as the proceeds of the sale of these rejected potatoes, amounting to a very large sum, as the same has never been accounted for to the late Government by the Depart-

FEDERATION OF LABOR IN SESSION HERE

Blocking of C. P. R. Line at Gaspereau delayed Delegates from St. John and Moncton.

Owing to the fact that the train from St. John was delayed several hours this morning by the line being blocked at Gaspereau where a freight train had run into another, the delegates to the annual meeting of the New Brunswick Federation of Labor were delayed and the session of that body did not begin until this afternoon. Among those here to attend the meeting are J. E. Tighe, F. Campbell, J. L. Sugrue and James Sharpe of St. John.

ASKS FOR AN ENQUIRY

Toronto, March 18.—Criticism of administration methods in English army camps and a vigorous demand for government inquiry into profits made by manufacturers of munitions during the war, both voiced by W. W. Price, conservative member for Parkdale were the high lights of this afternoon's and tonight's session of the Ontario legislature.

CANADA AND THE NEW ERA

Amherst, N. S., March 19.—"Human welfare first, the almighty dollar second," were the words spoken by F. L. Fowke, of the Halifax Relief Commission in an address before the Young Men's Civic Club last evening. Mr. Fowke had for his topic "Young Canada and the New Era." If the foregoing words were followed the red flag would not be waved in any section of the world."

Engagement Announced

Rev. and Mrs. James G. A. Belyea, of Fredericton Junction, announce the engagement of their daughter, Miss Dorothy Drew Belyea, to Ensign Theodore Harold Post, son of Mrs. Mila Post, of Topeka, Kan.

ment of Agriculture or any of its officials.

Won't Pay it Back.

Assuming, therefore, that Mr. Daggett is correct and that there has been no misappropriation of public moneys in the matter of these rejected potatoes, the only conclusion to be drawn is that the late Minister of Public Works, Hon. B. F. Smith, having been paid by the Government for the full amount shipped by him by drafts drawn on the government, and accepted at the time of shipment as per instructions to the Bank by the Department of Agriculture under date the 15th day of September, 1914, is liable to the people of this Province for the amount so overpaid, which is shown in the statement in evidence of exhibit 6 as \$2,375.70.

Mr. Daggett stated in his evidence that he had asked the Hon. B. F. Smith for the amount of this account on several occasions, but it had never been paid. Hon. B. F. Smith denied Daggett's statement in this respect, but admitted that the late Secretary of Agriculture had asked him for a like amount, but stated that it was for a different reason—the reason given was: "They were in a hole and asked me to help them out."

Hon. Mr. Smith was asked on the hearing if he had ever paid this money back to the government, and if so, when. His reply was as follows: "I did not pay it back and I do not intend to pay it back."

A Deceptive Statement.

Hon. Mr. Smith's statement in the Legislature is then quoted by the Commissioner. In this statement Mr. Smith implied that the money had been paid back, but he did not say who paid it. He explained this on the witness stand by stating that he was "placing the matter before the House

RIOTING AT KINMEL CAMP WAS STARTED BY THE FOREIGNERS

Canadian Eye-Witnesses of the Trouble Now at Halifax on the Celtic, Tell of the Disturbance—Repeated Cancellation of Sailings was the Primary Cause of the Trouble—Ringleaders Were Russians, Mexicans and Indians.

HALIFAX, March 19.—That conditions at Rhyll camp were not as bad as painted in the cable despatches, was the consensus of opinion among the two thousand-odd Canadians who returned on the Celtic last night. Eye witnesses of the rioting said that it had its origin among a number of foreigners who worked on the smouldering discontent of the men due to the repeated cancellation of sailings, and finally succeeded in fanning it into flames. It was ended by the action of troops from Ontario and Nova Scotia, occupying camps 19 and 20, who organized in battle formation and stood their ground until the ringleaders had been arrested. The conducting officers all spoke in the highest terms of the conduct of the men all through the voyage, and the record made in disembarking the men, two hours and fifteen minutes, testified to the high esteem of discipline prevailing.

The ship docked at 8 o'clock after an uneventful passage of eight days. At 11.15 o'clock the last train of seven drew out from the pier.

LIEUT. CHIPMAN, OF KENTVILLE, SAYS THE RIOTERS WERE REPULSED BY N. S. AND ONTARIO MEN

Lieut. R. W. Chipman, of Kentville, N. S., who saw service in France as a member of the Second Motor Machine Gun Brigade, witnessed the rioting at Rhyll camp. He stated that the rioters, carrying the red flag, were finally halted outside camps 19 and 20, occupied at the time by Ontario and Nova Scotia troops. These men organized a squad as though they were in an actual engagement at the front. Though armed only with rocks, they responded in kind when the firing commenced, and the rioting was immediately over.

Lieut. Chipman stated that the only real grievance at Rhyll had to do with the cancellation of sailings. The food was good and accommodations tolerable, but the repeated cancellation of sailings was extremely disappointing and undoubtedly contributed in a large measure to the disturbance.

The ringleaders of the rioters were foreigner, including Russians, Indians and Mexicans, and these were all captured principally by the Ontario and Nova Scotia soldiers, who, after posting snipers, went out and captured who they liked in true western front fashion.

The men who came on the Celtic were at the head of the list and would have been the first to leave Rhyll whether or not the rioting had developed.

in as favorable a light as possible."

In view of this evidence, says the Commissioner, and that of Mr. Daggett and H. Colby Smith in reference to this particular matter, there is no doubt in my mind that this money was never paid back to the Province by Hon. B. F. Smith and that the entry made in Exhibit 5 "paid by A. C. Smith & Co. on account of B. F. Smith shortage on out-turn of cars in final racking, \$2,447.50," is absolutely a false entry and wholly untrue. As to whether this amount is still a liability due the province from the late Minister of Public Works, is a matter which will be hereafter referred to.

Deluged With Applications.

The Commissioner mentions the fact that soon after it was decided to make the patriotic gift the Department was deluged with applications from shippers who were anxious to supply the potatoes. That sturdy patriot, to wit, A. A. Rideout, of Hartland, wrote to Mr. J. K. Flemming: "I have been thinking of the conversation we had regarding the Province's contribution to the Empire on account of the war, and remember your mentioning potatoes in that connection. Now the merest mention of spuds always sets me thinking of profits."

Mr. G. W. Perry, of Upper Kent, Carleton county, wrote: "I see by the paper that your government is giving the Old Country about 200 cars of potatoes. I want to say that we do not want to let a Liberal supply one barrel. Want a chance to supply my share when the time comes."

Mention is made of the fact that Guy G. Porter, of Porter, Manzer, Limited, Andover, offered to supply all the potatoes required at from 90c. to \$1 per barrel, plus a commission of five cents, and it is pointed out that Mr. Daggett, in reference to Mr. Porter's letter, could not remember having made any reply and could not give any reason for not doing so.

An Uncertain Question.

The Commissioner says that Mr. Daggett was not able to disclose with accuracy the exact number of potatoes purchased for patriotic purposes, nor could evidence be found in any department of the government showing the exact quantity. There was proof, however, that at least 68,603 barrels were purchased and paid for by the government, and that thousands of barrels in excess of the required number arrived at St. John and were paid for, and that at least some 16,700 barrels of excess pota-

atoes were on the hands of the late Minister of Agriculture and had to be taken care of.

Business Incapacity.

The Commissioner, in dealing with the bungling which occurred at St. John and the activities of A. C. Smith & Company in connection with the shipment of potatoes quotes Hon. J. A. Murray as saying on the witness stand that there was "business incapacity on the part of several" and particularly when the letter of credit was given by his department to Hon. B. F. Smith. The granting of this unlimited letter of credit and placing the resources of the Province at the disposal of Hon. Mr. Smith, the Commissioner believes to be the prime cause of this surplus purchase with provincial funds.

He agrees with Hon. Mr. Murray that it shows business incapacity and says that it is to be regretted that the late Minister of Agriculture himself, if not a party to it, had so little control over his department that he was unable to prevent it.

The Cuban Shipments.

The various financial transactions of Mr. Daggett and A. C. Smith & Co. the shipments to Cuba, the losses sustained and the efforts made to cover up the transaction are next dealt with by the Commissioner in detail. The Commissioner also refers to the alleged loss sustained by a young man named Waite, on a shipment of potatoes consigned to him in Cuba and of the action of Mr. Daggett in recouping him with \$3,000 generously loaned for the purpose by ex-Attorney General Baxter and never paid back.

An Indictable Offence.

Concerning a loan of \$1,500 made by A. C. Smith & Co., contractors under the government, to Hon. J. A. Murray, the Commissioner quotes a section of the criminal code which sets forth that it is an indictable offence and the guilty person is liable to a fine of not less than \$100 and not exceeding \$1,000, and imprisonment for a term not exceeding one year.

Looks Like Perjury

The loss on the surplus potato shipment was \$32,861.39 and the Commissioner tells how Mr. F. W. Sumner advanced this amount at the request of the late Premier Clarke to pay a note which had previously been given by A. C. Smith & Co. and entered on the books of the Province as cash. He also tells how the Sumner loan was paid with monies provided by Mr. W.

(Continued on Page 5)