

## The Enquiry Conducted By T. Hollis Walker, K.C.

(Continued from page 9.)

Q.—And I understand that Mr. McDougall was the man who negotiated the previous agreement?

A.—Yes.

Q.—The companies were equally considered? In the contract there was no discrimination?

A.—No, there was pending at that time, if I recall, a question as to the interpretation of the prior agreement and it arose under the War Profits Tax, and in case this question of interpretation was referred to he wanted one of the legal members with him.

Q.—Did you have any communication with Mr. Miller before you came?

A.—I did not know Mr. Miller.

Q.—You still might have had communication with him?

A.—I had no communication from him.

Q.—He did not ask you to come down here, that it was the request of the Government you should come?

A.—Oh, no.

Q.—Did you see him when you arrived?

A.—I don't recall, sir, seeing Mr. Miller. Perhaps I might as well tell you now the incidents which occurred. After we arrived, . . .

Q.—I think you had better answer the questions, Miller did not, as far as you know, invite you?

A.—No, I do not know whether Miller was a medium of communication.

Q.—Mr. Miller has told us that he was asked by Sir Richard Squires, being an official—a Dominion official—

—he was asked to get in touch with some of you, and he wired. Possibly you would not pay any attention as to whether it was he or anybody else.

A.—I did not see the telegrams, All I knew was that it was pressing that this matter be taken up before the House was dissolved.

Miller told us that he introduced you to Sir Richard?

A.—No.

Q.—Do you remember who did?

A.—No, I don't. As soon as we arrived here, our party was expected by Sir Richard, and Mr. McDougall, and myself called upon Sir Richard Squires and had that interview with him. At that interview, I suggested, . . .

Q.—I don't want to know what took place. Was Miller with you?

A.—I don't think, No, I am persuaded that just the two of us went.

MR. WARREN—Well, Mr. McInnes, I had asked you why you came to Newfoundland at that time, and you started some talk about the merger, and with regard to the new agreement which was to take the place of the previous one. I think you had an interview with the Executive Council one day about it?

A.—I think we had two interviews, and that they were arranged by Sir Richard. At the first meeting of the Executive Council, if I recall, I don't know if it was a full meeting, but a number of the members were present. Then there was a later meeting at which the full Council were present.

Q.—Well, were you constantly with Sir Richard Squires at that time?

A.—No, Sir Richard Squires met us. But this was a matter that the Council intended to deal with, and my recollection is that I saw very little of Sir Richard Squires.

ATTORNEY GENERAL—Did you have any conversation with him about his political campaign funds?

A.—No, I had none.

Q.—Did you volunteer to give him a personal contribution of \$5,000?

A.—No, I did not.

A.—No, I did not.

COMMISSIONER—Did you have any conversation with Mr. Miller on that subject?

A.—None, sir.

Q.—Miller said he told you that Sir Richard Squires was up against it financially?

A.—I had no conversation with Miller about Sir Richard Squires or Sir Richard Squires' finances in any way.

Q.—You say that that did not take place?

A.—That did not take place.

Q.—Did you hear Miller say he was to do anything he could for Sir Richard Squires?

A.—No, I do not recollect seeing Miller at all when I was in St. John's.

ATTORNEY GENERAL—Did you tell Sir Richard that as a personal contribution that \$5,000 would be forwarded through the Bank of Nova Scotia, of which you were a Director?

A.—No, I did not tell him.

COMMISSIONER—Did you say anything to him about this contribution before you made it?

A.—I did not say anything to him.

ATTORNEY GENERAL—Then as far as you know Sir Richard Squires was not expecting any contribution from you?

A.—No, he was not expecting a contribution from me. We had no conversation about it at all.

Q.—Evidence has been given here that a parcel of bank notes amounting to \$5,000 was handed Sir Richard Squires and he has said that he knew that that was a contribution from you. Had he anything from you to base such a conclusion on?

A.—No, I would like to get the circumstances.

COMMISSIONER—When we got the \$5,000 there was nothing to show that it came from you, was there?

A.—No, sir, there was not \$5,000.

Q.—And he never got \$5,000?

A.—There was \$4,000, but not \$5,000.

Q.—The figure 5 came from him and we are quoting him. Then he got the \$4,000, which was \$4,000 but not \$5,000.

A.—Yes.

ATTORNEY GENERAL—I think Mr. McInnes, you might detail the circumstances of this now?

A.—My explanation that took place may not be quite accurate, but if you will allow me the circumstances are these: The morning we were leaving, Mr. McDougall and myself, I went down to the Bank of Nova Scotia to say good-bye to Mr. Glennie. When I went there Mr. McDougall came in and I went out while he was speaking to Mr. Glennie. He said that Sir Richard Squires had told him that his party funds were down and that he had to run three bye-elections. I thought at first it was four but now I understand it is three. Mr. McDougall said that Sir Richard would like to get a personal contribution and he said that the money is to be given a gentleman whom he said was the treasurer of the party funds. I do not want to give that gentleman's name because my recollection may differ from what Mr. Glennie says about that.

COMMISSIONER—I do not want to hear what passed between you and Mr. Glennie. Tell us what happened at the time and not since about it.

WITNESS—Mr. McDougall said that Sir Richard Squires told him that his campaign funds were down, and that three bye-elections had to be run.

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COMMISSIONER—We were told that they had taken place, one in St. John's West, one in Mr. Main and one in Bay de Verde. The Bay de Verde one was said to have taken place in June.

A.—My recollection is that I was told that the three bye-elections were coming. Mr. McDougall told me to whom this money was to go and he asked me if I could give my cheque because I had my account at the Bank of Nova Scotia and that he would repay me as soon as he got home.

Q.—Then it was not to be your contribution at all, but it was to be Mr. McDougall's contribution?

A.—No, it was not my contribution at all; I gave my cheque to Mr. Glennie for \$4,000.

ATTORNEY GENERAL—Do you know how the money was conveyed to Sir Richard Squires?

A.—I do not.

COMMISSIONER—Did you not see Mrs. Harsant?

A.—No, my recollection is I did not see her. I immediately went and joined the train after that.

Q.—We were told that she was fetched out from her lodgings and asked to go on an errand for you.

A.—The only thing I asked Mrs. Harsant to do was in this way. I asked Mr. Butler, Mr. McDougall's Secretary, if he would see that certain flowers and books were sent to some people who entertained us to dinner and who extended much courtesy to us during our stay here and he said that he would get Mrs. Harsant to do it. She had been sending for us for meetings of the Executive Council and had been very attentive to us and he said he would get her to do it. I had given the money to Mr. Glennie and told him what it was for, and my own personal recollection is that I was given the name of the party treasurer. I did see Mrs. Harsant and asked her if she would do these personal messages. That was the morning I left.

ATTORNEY GENERAL—Then you said that Mr. McDougall told you that Sir Richard had spoken to him about the state of his campaign funds?

A.—Yes.

Q.—And Mr. McDougall suggested to you that that contribution should be made?

A.—Yes.

Q.—You gave that cheque on the understanding that Mr. McDougall would reimburse you?

A.—He said that.

Q.—He gave you the cheque. Were you reimbursed?

A.—Yes.

COMMISSIONER—By whom?

A.—I am not certain. I have looked for that covering letter. My cheque was given on the 4th of June. I was not aware. I was at Montreal and my secretary opened my letters and made

the deposit. The cheque was reimbursed on the 14th of June. I have no doubt it came from Mr. McDougall. I had only a day to prepare for coming down here and I looked for it.

Q.—You were asked to come as long ago as the 24th of December?

A.—I said I would come whenever I was wanted.

MR. HOWLEY—That telegram did not ask the attendance of Mr. McInnes personally. It was addressed to Mr. McInnes as Solicitor of the Companies and asked for the attendance of the President and some officials. I do not think it asked for Mr. McInnes.

COMMISSIONER—It was handed to me at a time when it was said there were certain efforts made to get Mr. James here and efforts from your side of the table. Let me see these letters?

MR. LEWIS—I have not got them with me but I will get them.

WITNESS—I had a letter from Mr. Knight early and I told him if my name was connected with this, I would leave immediately. I got a telegram from Mr. Warren, through Mr. Knight, in Toronto and I came as soon as I could.

COMMISSIONER—I certainly misunderstood what was said about it. I understand you had been asked so long a time as December 24th. However, these matters are matters of record in the sense that they are in writing. I will ask both sides to let me see them to-day. You were reimbursed on the 14th of June. You cannot tell me from what funds you were reimbursed?

A.—By Mr. McDougall.

ATTORNEY GENERAL—That is what you believe?

A.—Yes, I was not at home. I did not go home from St. John's, Nfld. There were difficulties on at Montreal and I went immediately from St. John's to Montreal not going home at all.

Q.—Your home is in Halifax?

A.—Yes.

COMMISSIONER—Of course you did not have an account in St. John's?

A.—No.

Q.—But being a director of the bank and well known by the Bank your cheque upon your own branch would be cashed in St. John's would it?

A.—Yes.

Q.—Then Mr. Innis did you get in August last year a telegram from Miller?

A.—I did.

Q.—Have you the telegram he sent you?

A.—No, I have not the telegram.

The telegram was repeated from Montreal to me at Halifax. It was addressed to me at Montreal.

Q.—Do you remember what was in that telegram?

A.—Yes, it was a telegram that Sir Richard Squires was leaving for England that day and needed financial assistance. Could I do anything for words to that effect, I do not recall the words.

Q.—Was the expression used Sir Richard Squires?

A.—I could not say whether it was Premier or Sir Richard Squires.

Q.—Are you sure the word used was not party?

A.—I don't know, I am not sure.

Q.—Had you by any chance spoken on the subject before he left that he was to be referred to as the party?

A.—Not at all, had not seen Miller when I was here.

Q.—These are the two telegrams. We have your two answers.

ATTORNEY GENERAL—This telegram was put in purporting to be a carbon copy from Miller to you. (Shows witness letter.) The first cable is dated August 2nd and reads "Cable received too late for me to deal with."

COMMISSIONER—Then there is another one.

ATTORNEY GENERAL—McInnes says will answer Miller's message soon as can. Before we deal with the letter Mr. McInnes, there is the answer which Miller received?

A.—Yes.

Q.—Here's his cable to you of August 2nd. Do you recognise it?

A.—No, I do not recognise it. I have no doubt I got it. When I got the cable referred to I was in the Court House and I wrote a reply on the back of it. I was telephoned that there was a message for me that needed an urgent reply from my office. I was in Court and I asked to have the message sent up to me. The second message evidently came from the station. They wired down to get the message from me and I was at the Court House. As a matter of fact when I got the message I did not know what it was. I did not know it was Miller's message.

ATTORNEY GENERAL—Mr. McInnes, do you remember getting a letter like that?

A.—I do not believe I ever got this letter. I have looked all through my files and I do not think I had that letter.

COMMISSIONER—What answer did you send to Mr. Miller?

A.—I sent him none.

Q.—The telegram suggests you were going to answer as soon as you could?

A.—That was not a telegram. That was a service message sent from the station.

Q.—McInnes says will answer as soon as he can. Is that somebody in the telegraph office who wrote that?

A.—Oh, yes.

Q.—Do you mean to say that people

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the President asking me if I would communicate with the General Manager of the Bank and ask him for not to press the note that the Bank of Nova Scotia in St. John's were pressing and to delay the pressing of that

note in the meantime. I telephoned the General Manager and asked him to do this and he said he would enquire into the matter.

(Continued on page 11.)

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