

The Enquiry Conducted by T. Hollis Walker, K. C.

(Continued from page 7.)

ager of the bank, Mr. Glennie had looked for other parties to back the note for him.

A.—He was away, I understood.

Q.—Do you know if Mr. Glennie would know about Mr. McDonald's standing?

A.—I think Mr. McDonald, banked with the Bank of Nova Scotia.

Q.—He sent for Mr. Miller first?

A.—Yes.

Q.—I think the evidence has been that Mr. Miller signed it first and it was sent back for Mr. McDonald's signature?

A.—Yes.

MR. HOWLEY.—That was your own evidence?

COMMISSIONER.—That was Mr. Miller's story.

MR. WINTER.—Was the thought in your mind that the bank would proceed to the utmost against Mr. Miller and Mr. McDonald?

A.—I did not know what the bank's attitude would be; with the statement they gave me I could not believe anything else.

Q.—That is what it looked like from this letter from Mr. Glennie?

A.—I did not see the letter from Mr. Glennie; but from what they told me.

Q.—At this time that you said you were surprised, did Mr. Miller mention the other drafts and other matters to you?

A.—No. Not the \$46,000.00.

COMMISSIONER.—He did mention that there were others but not the details. He did mention that there were other sums outstanding?

A.—Yes.

Q.—Did you ask him for the details?

A.—To tell the truth I did not want to pry too closely into it.

Q.—But why not Mr. Gillis?

A.—It did not look to be my business; and they assured me that it was all personal.

Q.—They said there were other amounts outstanding?

A.—Yes and I formed the idea that there was \$6,000.00 additional, making \$26,000.00 including the note.

Q.—Where did you get that figure, Mr. Gillis?

A.—I got the figure \$26,000.00 associated with it somehow.

Q.—Mr. Wolvin came the next day, I think?

A.—Between thirty-six or forty-eight hours.

Q.—You mentioned the matter to Mr. Wolvin?

A.—Yes.

Q.—What did you tell Mr. Wolvin: did you tell him the whole story as far as you knew it?

A.—I told him that the boys had endorsed a note and I asked him if he could arrange for an extension for them at the Bank of Nova Scotia. If he could not do it himself he might try it through Mr. McInnis.

Q.—How did he receive this story?

A.—He thought that it was rather a funny thing for them to do. He asked if the company was involved and I told him no.

COMMISSIONER.—Did you tell him the notice that went through had been addressed to the company?

A.—No.

Q.—Why didn't you tell him?

A.—It did not strike me because I thought it was a form of addressing it.

MR. WINTER.—You said, I think, when you were there, that Mr. Miller intimated to you that he had authority to do this; was that so?

A.—I think that was later.

COMMISSIONER.—Did not Mr. Miller state in October that he had authority?

A.—No he did not come out with anything definite like that, at that time.

Q.—I thought you told us at one time that he had authority?

A.—I think that was after April, he became more pronounced then.

Q.—Yes, it is in his evidence in chief when he produced the voucher. "I told Tasman Miller stated he had authority from superior officers." I told Tasman we had better investigate the matter."

MR. WARREN.—I have a note here that he stated he had authority from McInnis and Reid.

MR. WINTER.—My note reads: "I told Tasman, I think, that Miller had incurred expenditure here and stated he had authority from someone higher up."

WITNESS.—I think the first time I heard that Reid had anything to do with it was in the telegram of February asking for further renewal of the note.

COMMISSIONER.—At present you say you don't think he made any statement in October, that it was later.

A.—He might have at that time, but I have no recollection of it.

MR. WINTER.—Mr. Wolvin said he would get a renewal?

A.—He said he would see what could be done.

Q.—He did not say whether he would try to get renewed by the same signatures or anything like that?

A.—No. He said he would see what could be done.

Q.—And you left it in his hands?

A.—I did not trouble any more about it.

Q.—Did he have any interviews with Miller or McDonald about it?

A.—I don't think Mr. Wolvin mentioned it to them at all.

Q.—This was just a conversation between the two of you?

A.—Yes, I think it was.

Q.—Had either of them mentioned it to him before you saw him?

A.—I don't think.

Q.—Now then, Mr. Gillis, you came down again in April, 1921?

A.—Yes, in April, 1921.

Q.—And you said that in February, 1921, you had received a message, and a copy put in you say might be the message?

A.—Yes, it might be the same.

Q.—Referring to it, you remembered McInnis' name was mentioned but did not remember Sir W. D. Reid's name?

A.—No, I am not sure.

Q.—You saw Mr. McInnis before coming down?

A.—Yes, I saw Mr. McInnis some time between February and April.

Q.—Where was it that you saw him?

A.—I think it was at Sydney, I am not sure.

Q.—And he told you that the note had been paid?

A.—Yes.

Q.—Who brought up the subject of the note—you or McInnis?

A.—I think I did.

COMMISSIONER.—Did he tell you by whom it had been paid?

A.—No, of course, I passed on that telegram in reference to it to Mr. McDougall in Montreal.

Q.—We are not speaking of Mr. McDougall now. We are speaking of Mr. McInnis. You say you saw Mr. McInnis some time between February and April, and mentioned the subject to him, and he told you the note had been paid. Did you say by whom?

A.—No. But what I remember is he told me that upon enquiry at the head office of the Bank of Nova Scotia he had information that the note was paid.

Q.—He said he got that information by enquiry at the head office?

A.—Yes. Through the head office I suppose.

MR. WINTER.—Can you remember how you brought it up to Mr. McInnis?

A.—No. I don't remember.

Q.—And you can't be positive as to whether you brought the subject up or he did?

A.—No. But I think I would. Because I was wondering how those two boys were getting along with the note.

Q.—But Mr. McInnis knew something about the note then, when you spoke to him?

A.—In February when I passed along that telegram to Montreal head office I asked Mr. McDougall to get Mr. McInnis to interest himself in the renewal.

COMMISSIONER.—You sent it to head office of the Dominion Co.?

A.—Yes. The Dominion Company it would be.

Q.—Was Mr. McDougall in the Dominion Company at that time?

A.—Yes. He was a director of the Dominion Company at that time.

Q.—I thought he was only with the Nova Scotia Company?

A.—Well, there was an interlocking of directors for several years.

Q.—All the time, McDougall had something to do with the Dominion, had he?

A.—I don't think he had in 1920, but early in 1921, the spring of 1921.

MR. WINTER.—Mr. Gillis, this note fell due about the middle of October, and it was only a 60 day note?

A.—Yes, it had been 60 day note.

Q.—You don't know for what date it was renewed?

A.—No.

Q.—Of course, if it were renewed for 60 days it would be due again in December?

A.—Yes. In December.

Q.—Well then in February were you not surprised when you got this message?

A.—Yes. But I thought the note had been carried along up to that time.

Q.—And then you told Mr. McDougall?

A.—When I got the telegram I wired head office asking if they could do something to have it taken care of for a further period.

Q.—Then Mr. McInnis knew all about it?

A.—I am not sure of that.

Q.—He knew of its existence?

A.—He said that on inquiry at head office he found the note had been paid that there was no such note outstanding. He did not say he knew all or anything about it.

Q.—Did he tell you how it had been paid?

A.—No.

Q.—And you came down in April, 1921, and saw Miller, and he told you then that it had been paid out of the payroll account?

A.—Yes.

Q.—And Mr. McInnis had not told you how it was paid, but merely that it had been paid?

A.—Yes, that it was definitely known the note was paid.

Q.—And then for the first time you hear that it had been paid out of the payroll account, and you said here in your evidence that you told him it was a serious matter. Why was it serious?

A.—I thought it was a serious matter to employ the company's funds for payment of a personal note.

Q.—Do you mean it was serious from Miller's point of view to take the company's funds to pay off a personal obligation of his own? I mean, that was the seriousness of it?

A.—That is what I meant.

Q.—Then you said you thought it was best to transfer the \$20,000 to Sydney?

A.—Yes. Miller at that time was hitting me with authority from someone higher up, and I did not like to take an independent stand as I felt then I could not act without crossing wires with somebody else.

COMMISSIONER.—And it was when you pointed out that it was serious or might become serious for him personally, he hinted he had authority from people higher up?

A.—In the previous message it was intimated to me that there was some supposed authority for the transaction.

Q.—And you thought that your best course would be to transfer the whole thing to Sydney where it could be thrashed out?

A.—Yes.

MR. WINTER.—Then when he hinted there was authority or might have been authority from somebody above, the transaction would take on quite a different character, would it not?

A.—Not to me.

Q.—Well, Mr. Gillis, did it ever strike you it was serious from the company's point of view, that this money should have gone where it did go?

A.—No. I did not look upon it seriously.

COMMISSIONER.—You did not think it extraordinary if an official of the Company had authorized the company's funds to be used as an accommodation for the Prime Minister?

A.—No, I did not consider that phase of the matter at all.

Q.—You would not think it extraordinary if that turned out to be the fact?

A.—I would have thought it extraordinary, yes.

MR. WINTER.—When you put through this transfer of \$20,000 did you know then of the other drafts and so on?

A.—I don't know when the voucher went through, but when the voucher went through I might have known it, between the period of the voucher going through and my conversation with Miller I might have been acquainted with the facts.

Q.—I think also your explanation as to why you considered the best course of action transferring the amount was that you wanted to see how the officials of the Company would take it, and you wanted to see how they would take it before you transferred any further amount?

A.—That was the amount I understood was taken from the payroll account at that time. I do not think there was any further amount.

COMMISSIONER.—I suppose you thought by being transferred to Sydney it would come within the notice of any superior officers who might have authorized it? That was your idea?

A.—Yes. The idea was to let it chase around to see if it could get a sponsor.

MR. WINTER.—Now this \$20,000 that was transferred was charged to Miller's account in the books?

A.—I don't know exactly what it was charged to. It might have been in the Wabana suspense account until I returned home in August or charged up to some other account thinking it came through legitimate expenditure.

Q.—We had some discussion here about that, and you said it had been charged in Miller's name. I understood you to say it was in Miller's name. Was it only nominally his account?

A.—I don't know.

Q.—But it was the only name?

A.—Yes.

Q.—Why did they not put Mr. McDonald's name in too?

A.—Well, Mr. Miller was responsible for the cash down here. He was chief accountant, and on account of repaying it would be charged to him.

Q.—You know that this money had gone to the accommodation of Sir Richard Squires?

A.—I was told that, but I did not know it.

Q.—As far as you were told that was the information?

A.—Yes.

Q.—And Mr. Wolvin knew that at this time?

A.—Yes, I suppose he did know; that is if Sydney ever reported the transfer had been made to that account.

Q.—When this was transferred, the books told them the money had actually been paid out of the Company's funds, did they not?

A.—Yes.

Q.—Well, would any officials but yourself and Mr. Wolvin or Mr. McInnis know about this amount?

A.—I don't know if Mr. McInnis knew about it.

Q.—But he knew there was a note?

A.—Yes.

Q.—Did he know the amount of the note?

A.—Well, I am not sure about that.

Q.—Did you see Mr. McInnis many times after that? You must have seen him at his office?

A.—Yes, I have seen him at irregular intervals since.

COMMISSIONER.—After the transfer did you see him?

A.—Yes.

Q.—And talked to him about this after the transfer?

A.—No.

MR. WINTER.—Well, Mr. Gillis, you knew what had been done with the company's funds, and to you yourself it seemed serious. Did it not occur to you you ought to tell him about this?

A.—No, as Mr. McInnis was not an official of the Company at all, he was a director, but was not an official, and I don't report to any of the directors.

COMMISSIONER.—But you had brought it up to him, I understood

you to say you brought it up to him in February or April.

A.—Through one of our operating men.

MR. WINTER.—You are quite sure he never mentioned the amount to you?

A.—I have no recollection of discussing the amount with him.

Q.—Well, then, the situation in April, 1921, or around about that time was this: that \$46,000 or thereabouts had been paid out of the Company's funds; of this, \$20,000 had been transferred to Sydney and charged against Miller ostensibly or charged to some account. You are not sure of that. The other \$26,000 would be charged at Wabana in some way?

A.—Yes.

Q.—Now then, Mr. Wolvin knew this, did he not?

A.—Knew what?

Q.—That this amount had been paid out of the Company's funds?

A.—I don't know.

Q.—Well you know, Mr. Gillis, letters of yours have been put in to Miller and so on. Eventually Mr. Wolvin knew about it?

A.—After the audit I suppose he knew about it.

COMMISSIONER.—About May?

A.—May, 1921?

Q.—Yes.

Q.—Oh, no, I don't think.

Q.—Well the audit would take place about April. Do you mean this transfer would not be included in it?

A.—Our cash was evidently straight then.

Q.—Then this transaction would not come before the auditors until March 31st, 1922?

A.—I think there was a special audit some time in between there. I am not sure about it.

Q.—You think there was?

A.—Yes.

Q.—Then if so he would get to know it from them?

A.—Possibly. I don't know what reports were made to him at all.

MR. WINTER.—Now Mr. Gillis has the Company ever made any effort to get this money back from Sir Richard Squires?

A.—I don't know.

Q.—As far as you know it has not?

A.—As far as I know it has not.

Q.—Has it ever tried to get it back from Miller and McDonald?

A.—Not to my knowledge.

Q.—I think Miller was eventually suspended, but only when it was suggested that he had retained the money instead of Sir Richard?

A.—Miller's resignation was in before that.

COMMISSIONER.—Yes his resignation was in November, 1922. That accusation was not until the early part of 1923. (To Witness): But he was continuing to get his salary apparently at the time the accusation was made?

A.—The understanding was he was to get his salary until the end of the year.

MR. WINTER.—Mr. Gillis, is it not true that the company accepted this and took this money over?

A.—I would not say that. I could not say because they did not move in the matter that they accepted it.

COMMISSIONER.—I should like to see whether it still appears as a debt due the company?

A.—Mr. Tasman may be able to tell you that. I cannot.

Q.—I don't know your rules in Canada—your company rules, or what your system of auditing is?

A.—A firm of auditors spends probably a month around Sydney.

Q.—I suppose you get a balance statement each year?

A.—Yes.

Q.—Showing what debts are outstanding?

A.—Yes, I think so.

Q.—I wonder if you can tell me if this was included in the last one or whether it was written off?

A.—I can't tell you.

Q.—Well, then perhaps somebody else can.

MR. WINTER.—At any rate, Mr. Gillis, the auditors came down, and to cut a long story short they examined Mr. Miller's books did they not?

A.—Yes.

Q.—And they gave him a certificate?

A.—Yes.

Q.—And you brought it up to him, I understood

you to say you brought it up to him in February or April.

A.—Through one of our operating men.

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