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

(Continued from page 6.)

A.—Miller was the man who handled the Company's mail over there. All the mail went through him.

Q.—But when the notice was a notice direct to the Company, did not that bring to your mind that the Company must have been parties to the note, on the face of it?

A.—I asked him that, and they told me that the Company was not involved.

Q.—Did you ask them whether the Company's name was on the document?

A.—I did not ask them that.

MR. KNIGHT—Did you suspect that the Company's name was on the document?

A.—No, I did not.

Q.—Did you suspect, or could you suspect that a note on which the Company's name appeared would be likely to be dishonoured, or that threats previous to the notes falling due . . .

COMMISSIONER—Who says there were threats?

MR. KNIGHT—The witness himself says so. He says that before the notes fell due Mr. Glennie wrote to these two men, and told them that if the note was not paid at maturity he would place it in Mr. Blackwood's hands for collection.

COMMISSIONER—I thouht you were referring to the notice from the Bank, you are referring to Mr. Glennie's statement.

MR. KNIGHT—So far as we know that notice from the Bank and the statement of Mr. Glennie are identical documents.

COMMISSIONER—In this conversation did they say that with the notice came a threat from Glennie?

A.—No, they told me that Glennie said that unless the note was paid at maturity it would be placed in Mr. Blackwood's hands for collection.

A.—I did not think that either Miller or MacDonald could issue a note or back a note on behalf of the company. I did not think that they had any authority, or that the Bank would accept it.

Q.—Were you aware of what authority they had?

A.—Except in a general way.

Q.—But you were quite clear that the Company's name was not attached to it, or was any liability attached to the Company at the time of this first conversation? Now you communicated with Mr. Wolvin, do you remember?

A.—I told Wolvin that the boys up at the office had got themselves in trouble by arranging $20,000.00 accommodation for Sir Richard Squires, and that the note was due and the Bank was pressing for payment, and Sir Richard Squires was still away.

Q.—Did Wolvin treat your request as being a request coming from the boys or a request for the benefit of the Company? If you will tell us what was said.

A.—I told Wolvin that the boys had got into trouble by arranging $20,000.00 accommodation for Sir Richard Squires, and the Bank was pressing for payment and Sir Richard Squires was still away.

Q.—And they had requested you to approach Wolvin on the subject?

A.—I suggested that.

Q.—What did Wolvin say?

A.—When I told Wolvin that it was a personal note of MacDonald and Miller, he asked me what I expected him to do about it.

Q.—To which you replied?

A.—I told him that I thought it might be fair to them to arrange with the Bank of Nova Scotia for an extension until Sir Richard Squires came home. He said he would see what could be done.

H. B. Gillis examined by Mr. Knight (continued).

Q.—Is it likely that a note on which the company was liable would go to protest?

A.—I would not like to express an opinion on that.

COMMISSIONER—Have you had experience of the company's notes being overdue, ever?

A.—No.

MR. KNIGHT—At the time of this first conversation with Mr. McDonald and Mr. Miller did you hear of any other cheques that their names were on?

A.—I think Mr. Miller had mentioned that he made some private loans; I am not sure of that.

Q.—Did'nt Mr. Miller at that time state that the companies money had been used to repay for loans or accommodation given to Sir Richard Squires?

A.—No.

Q.—Was there, in point of fact at that date an overdue note?

A.—I don't know Mr. Knight.

Q.—A note of August 3rd was not due? A thirty day note.

A.—I thought it was a sixty day note and I did not see it until this enquiry.

Q.—Was the fact that the company's money or credit had been used to retire that note; made known to you at the interview?

A.—No.

Q.—Were you given any reason to suspect that the company's money had been so used at that time?

A.—No.

Q.—As a matter of fact you have since discovered that it had?

A.—Not beyond what I heard in evidence here.

Q.—What was the next that you heard of this $20,000.00 note or any note in which the company or Mr. Miller and Mr. McDonald were parties?

A.—I think it was in February that I got a telegram that seemed to be a request for a further renewal of this note.

MR. WARREN—Have you got that teleragm.

A.—I don't know whether it has been put in.

Q.—Who was it from?

A.—From Mr. Miller.

COMMISSIONER—Yes, I think we have had it.

MR. WARREN — There was one handed you which was not put in?

A.—Yes.

(Message shown witness).

Q.—Is htat the one you mean?

A.—Yes; I don't know if that was the exact message.

Q.—Have'nt you got the original?

A.—No.

Q.—You have all the others?

A.—Yes, but that seems to be missing. I am not sure if that is the correct message or not.

COMMISSIONER—Let Mr. Lewis see it?

MR. LEWIS—I have no objection to it.

COMMISSIONER—This is to Mr. H. B. Gillis, personal.

(Message read).

MR. KNIGHT—Up to this time had you any intimation or suspicion that the company was liable for any notes that required renewal?

A.—No.

Q.—Had you any suspicion up to this time that the company's moneys or credits had been used to retire notes of Mr. McDonald and Mr. Miller?

A.—No.

Q.—Had you any knowledge that the payroll account had been dealt with by Mr. Miller?

A.—No.

MR. WARREN—When you say up to this date, what date do you mean?

MR. KNIGHT—Up to April, 1921.

Q.—In April, 1921, did you make any discovery?

A.—No. Mr. Miller told me.

Q.—Told you what?

A.—When I asked him about the $20,000 note, he told me that he retired it by taking the money from the payroll account. It was charged up to our payroll account.

MR. LEWIS—Was that in April, Mr. Gillis?

A.—Yes.

MR. KNIGHT—Did you then discover that he was about to retire a note upon which the company's name appears?

A.—No.

Q.—Had you any intimation or suspicion that the Company's name appeared on any such note up to that time?

A.—No.

Q.—And when did you first learn that the Company's name did appear on this note or on any other note?

A.—The first time I saw the note was the Tuesday before leaving Sydney to come down here.

Q.—That was the first time you saw it; when was the first time you heard of it?

A.—That was the first time I knew the company's name was on it.

MR. LEWIS—How long ago was that?

A.—I think it was the 8th of this month.

COMMISSIONER—(Repeating): I did not know the Company's name was on it until January, 1924.

MR. KNIGHT—When Mr. Miller told you that the Company's money was being used to retire this note you had considerable discussion?

A.—Yes.

COMMISSIONER—You knew in April that the company's money had been retired?

A.—Yes. I was told it.

MR. KNIGHT—Did you, in point of fact, still think that this note which had been paid out of the payroll account was the personal note of Mr. McDonald and Mr. Miller?

A.—Yes.

COMMISSIONER—That makes it all the more extraordinary.

A.—No, because Mr. Miller was telling me that he had authority from people to give accommodation.

MR. KNIGHT—From whom?

A.—He hinted as having authority from Mr. McInnis and Sir W. D. Reid.

Q.—He did not hint that that authority went to the length of dealing with the payroll account?

A.—No, he did not.

Q.—Did he make any explanation to you of the circumstances under which this note was given?

A.—Yes; he told me pretty much the same as the evidence given here that he was sent for in connection with the accomomdation.

MR. WARREN—Would you mind speaking up, Mr. Gillis?

A.—He had been sent for by Mr. Glennie and asked to arrange for these papers.

MR. KNIGHT—Did Mr. Miller at that time ask you to authorize these dealings with the payroll?

A.—I asked him how he was carrying it and he told me he was carrying it on the payroll account and I told him to transfer it to Sydney.

Q.—Did you direct Mr. Miller as to what account he should transfer that $20,000.00?

A.—I told him to put through a special voucher transferring $20,000.00 to Sydney.

MR. KNIGHT — (Reads voucher form).

A.—That would be the usual form of a voucher of that kind, I don't know how it could be done otherwise.

Q.—Does it give on that that this transfer of $20,000.00 was done on your authority?

A.—I authorized the transfer.

Q.—It was not intended to indicate that that expenditure would appear in the Sydney books as being an expenditure authorized by you?

A.—Sydney would come to me for a disposition of that expenditure when I got up there.

Q.—Was this a special expenditure authorized by H. B. Gillis?

A.—That was the only form of the voucher.

Q.—But it does not indicate that you authorized the expenditure of the $20,000.00?

A.—Oh no. I did not authorize the expenditure of the $20,000.00.

Q.—You only authorized the transfer of it to Sydney to be dealt with afterwards?

A.—Yes. I would not have the authority to allow an ependiture of that kind. It is beyond my powers.

Q.—Did Mr. Miller in this interview explain the nature of the transactions under which he had come to the assistance of Sir Richard Squires?

A.—Not completely. Not in detail.

Q.—Did he tell you any particulars?

A.—He mentioned that note and some other payments he had made.

COMMISSIONER—Did he give you the total?

A.—Not at that time, I think:

Q.—He mentioned there were others?

A.—Yes.

MR. KNIGHT—Did he hint to you at that time, that the company was under an obligation to retire that note?

A.—The note had already been charged out to us.

Q.—Did he hint to you that the company was under an obligation to retire that note?

A.—He did not state it in so many words, but he conveyed to me the suspicion that he felt he had authority from somebody higher up than I was and he did not want to give the complete facts to me.

Q.—When did you first make the discovery that the company's money had been used to retire the $26,000?

A.—When he gave me the $46,000 later that year.

COMMISSIONER—At the time he said that there were others than the $20,000; didn't he say that the others had been paid out of the Dominion Company's money?

A.—No.

Q.—Didn't he say how the others had been paid?

A.—No, and I did not enquire.

MR. KNIGHT—He had not mentioned the first note of August 3rd to you?

A.—No.

Q.—And had not mentioned the fact that the company's name was on that note of August 3rd?

A.—No, it was later in 1921; later than April 1921 that he told me all that.

COMMISSIONER—When he handed you the Daily Star cheque?

A.—Yes.

MR. KNIGHT—The cheque is dated March?

A.—It was some time between April and August.

COMMISSIONER—You were here most of the summer?

A.—Yes.

MR. KNIGHT—It must have been in the next August that you heard of the additional $26,000?

COMMISSIONER—It may have been April, May, June, July or August; probably in April.

MR. KNIGHT—Did you transfer at any time the $26,000 balance to Sydney?

A.—No, I did not.

Q.—What was your real motive in transferring the $20,000 to Sydney and refusing to transfer the $26,000?

A.—I was in doubt as to whether this amount had been authorized by somebody or not. I felt that the Wabana pay roll was no place to carry it if he had not been authorized.

Q.—The result of having it transferred to Sydney would be that it would be enquired into?

A.—Yes.

COMMISSIONER—If it was duly authorized it would be found satisfactory but if he was doing something that he was not authorized to do there would be trouble?

A.—It is a case of trying to find out who authorized it?

COMMISSIONER—No trouble has arisen?

A.—No.

Q.—And you thought it would be soon after you sent it there?

A.—Yes.

COMMISSIONER — Well, peace reigned.

MR. KNIGHT—Have any efforts been made by Mr. Miller to get that $26,000 transferred to Sydney?

A.—Yes.

Q.—Was there any effort to get the $46,000 marked off the books altogether?

COMMISSIONER—Efforts made by whom?

A.—Mr. Miller.

Q.—To get the $46,000 marked off the books?

A.—Yes.

Q.—Tell us about it. I don't think we have had this before?

A.—On the 1st of December, 1921 I received this telegram from Mr. Miller (Marked H.B.G. 14.)

COMMISSIONER—This reads:

"Can you arrange let me put through ten on account balance twenty-six. Very urgent."

COMMISSIONER—It is not very clear to me what is meant.

A.—I took it that he wanted to reduce the balance from twenty-six to sixteen.

Q.—To transfer ten to Sydney?

A.—Yes.

Q.—That is not an effort to have anything taken off the balance; it is an effort to get part of the $26,000 transferred to Sydney?

A.—Yes.

Q.—This is December 30th and this reads:

"Would you kindly arrange for balance of twenty-six before the tenth prox."

Q.—What did you understand by that telegram?

A.—That he wanted the balance $26,000 transferred to Sydney.

COMMISSIONER—That is a long way from marking them off the books; it is just transforring it from one book to another.

MR. KNIGHT—Any other messages, Mr. Gillis?

A.—Yes, one of February 24th and one of February 28th both of 1922, from Mr. Miller to me. I think that is about all.

(Messages read and put in evidence.)

COMMISSIONER—That seems to have reference to this question of the transfer more than anything else.

A.—It is hard to say what they wanted in the last one. I was in doubt as to whether they wanted the transfer or what.

COMMISSIONER—Now perhaps you would like to go back to the question. Were efforts made by Mr. Miller to get the $46,000 marked off the books altogether?

A.—I mean marked off the books at Wabana and transferred up to Sydney.

COMMISSIONER — Where they would be subject to immediate enquiry?

A.—Yes.

Q.—He was asking for trouble. He was asking for the enquiry into those matters?

A.—He was trying to get me to authorize the transfer of them.

Q.—In order that the matter be fully enquired into. I don't know what his object was.

A.—At that time everyone knew that shortage was at Wabana.

Q.—I should have thought this would make the Sydney people all the more keen to see how it had arisen. Do you mean he knew no other way out of it?

A.—Unless about December the pay rolls were getting small; on account of the reduction of work; it might be hard to detect it.

Q.—He could not do that particular juggle as he wanted to have it transferred to Sydney?

A.—Yes.

COMMISSIONER—Have you any other questions, Mr. Knight?

A.—No, sir.

COMMISSIONER—I think perhaps Mr. Lewis will want to have a little time before cross-examination.

MR. LEWIS—I think I ought to have a day or two.

COMMISSIONER—I cannot give you a day or two.

MR. LEWIS—Well then, I shall try to be ready to-morrow. Will your honour direct that the official exhibits be given to me.

COMMISSIONER—You shall be allowed to have them all.

MR. LEWIS—I wonder if it would be possible to have a copy of the testimony taken to-day.

MR. WARREN—No, that would not be possible.

MR. LEWIS—Would'nt it be fair to ask that the examination be deferred until the testimony can be produced.

COMMISSIONER—But what are we to do to-morrow? There are other witnesses, Mr. Glennie and Mr. McDougall, but they are not here. It may close the case as far as that side of the table is concerned. What should we do all day to-morrow?

MR. LEWIS—I am not conducting this enquiry. This is all new to me. Mr. Gillis' testimony of to-day. I had no knowledge of it. He has given very important testimony and at great length. And he has been giving a great many exhibits which we have only been able to glance at.

COMMISSIONER—And I thought I was favouring you by giving you the first peep?

MR. LEWIS—I appreciate your Honour's thoughtfullness but it has only been a peep and it is hardly sufficient.

COMMISSIONER—I afterwards read them aloud. However, you may have the original exhibits.

MR. LEWIS—That will be sufficient and I will do the best I can to be ready for cross-examination.

COMMISSIONER—I don't know how long Mr. Knight will occupy with Mr. Miller.

MR. KNIGHT—It may be that the auditor may not be here.

COMMISSIONER—Oh, you are bringing an auditor.

MR. KNIGHT—Yes, we have one on the way.

MR. LEWIS—To deal with the matters which Mr. Gillis has testified to?

COMMISSIONER—He has mentioned some and they thought it better to deal with the matter through somebody who knew the system. If that witness is here to-morrow, we can take him.

MR. LEWIS—I shall do my best to be ready. I am not any more anxious to stay in St. John's than you are.

SESSION OF THURSDAY, Jan. 31st.

Mr. James Miller takes the witness box.

MR. KNIGHT—(To Witness)—Are these the original accounts between your Company and the Bank of Nova Scotia from July, 1920, to the end of 1921?

COMMISSIONER—Just look at them.

(Mr. Knight passes documents to witness.)

MR. KNIGHT—Will you please examine them, and see what they are.

(Witness examines documents.)

A.—These are our payroll statements.

COMMISSIONER—The documents produced are the payroll statements?

MR. KNIGHT—Yes, payroll statements with the Bank of Nova Scotia statement from July, 1902, to December 31st, 1921. I am not sure whether there is not one, by accident, missing.

COMMISSIONER—Well, I shall look at them, and see the form of them.

(Mr. Knight passes documents to Commissioner.)

COMMISSIONER—(Reads)—Dominion Steel and Iron Company Payroll Account. They seem as though each one has a few items, apparently weekly. No, here is only July 6th transferred to general. I don't know what to make of this. What does "payroll account" mean?

A.—Wages paid out.

Q.—Well now take the first one. Where does it show the wages paid out?

A.—(Reads)—July 31st, cheques for the month, $46,000.

Q.—Were these made out by you or by the bank, or who makes them out?

A.—The Bank makes them out.

Q.—Do they make them out from the details you send to them?

A.—From our cheques.

Q.—I see. And they would give on the last day of the month simply the

(Continued on page 8.)

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