

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

MONDAY, Feb. 5.
Sir R. A. Squires (examined by Mr. Lewis).

MR. LEWIS—(To Witness)—Was there a time, Sir Richard, when you received a communication from Mr. Gillis as to the ratification of the Coaker-Wolvin Agreement?

A—Yes. There was an interview with Mr. Gillis and one letter at any rate. A letter of July 11th before the whole committee.

Q—Have you that letter?

A—Yes, I have the letter from Mr. Gillis to myself.

Q—Is this it?

A—Yes.

COMMISSIONER—This may have a very important bearing on the case. A—This is at the time the Bill was before the House.

MR. LEWIS—Will I read it?

COMMISSIONER—I shall read it. July 11th, 1931. Letter from Mr. Gillis to Sir Richard. Read and copy attached hereto.

(Copy.)

Proposition put up to the Newfoundland Government by the British Empire Steel Corporation, Ltd.

Referring to your interview with Mr. Wolvin and myself, with respect to employment at the Wabana Iron Ore Mines during the coming winter, I have since been able to give the matter further consideration.

The financial position of our company and monetary situation generally as outlined to you during our conference is entirely responsible for the existing operating conditions on Bell Island, and promises to make it extremely difficult for us to continue the mining of ore even at the presently reduced rate. As you are aware there is very little demand for steel or steel products in any part of America at the present time, or in fact throughout the entire world, and the indication of a resumption of business are far from hopeful at the moment. It is well known that a majority of the steel plants operating at the present time in America are selling steel at a loss.

In view of the difficulties of obtaining the money necessary for carrying on mining operations and the probability that the ore after being mined would remain in stock pile for a number of years, there is no justification for the employment of a large number of men at a time when we already have over one and a quarter million tons of ore stored on the ground, for which there is no outlet in sight at present and entailing very heavy interest charges. Realizing, however, the importance of the Bell Island operations to the people residing along Conception Bay who have been employed at the mines in the past and appreciating the serious consequences of unemployment generally throughout Newfoundland in the winter, we are naturally anxious to do everything within our ability to assist. At the same time action on our part in the way of providing employment during the coming winter months can only be warranted by our receiving substantial assistance from the Newfoundland Government, and in this connection I would suggest that you give consideration to the following proposals:

Proposition Submitted to Newfoundland Government by The British Empire Steel Corporation, Ltd.:

1. We would respectfully request that all shipments of iron ore from Bell Island during the next two years, namely, during the years 1932 and 1933, be permitted free of any export tax under the existing agreement between the Dominion and Scotia Companies and the Government of Newfoundland.

2. We would also respectfully request that the period within which the \$3,000,000 expenditure must be made under clause 3 (a) of the agreement be extended for a period of three years beyond the expiry date stated in the agreement. In this connection we might point out that a whole year was lost during which a portion of the expenditure might have been made, on account of the delay in the ratification of the agreement by the Legislature of Newfoundland.

3. In addition we ask for the elimination of all references in the agreement to the establishment of a Blast Furnace in Newfoundland.

COMMISSIONER—They keep referring to the agreement (under review) that means that at this time there were some hopes that the agreement might be altered before you had received the assent of the Legislature?

A—At that time Mr. Gillis appeared personally before the select committee.

COMMISSIONER—I just want to get one thing from you.

MR. LEWIS—It is addressed to Sir Richard as a member of the Committee.

COMMISSIONER—I only want to know. In 1931 before it was ratified there were suggestions of its variations? Although an agreement had been signed in November, these letters show that in 1931 there were suggestions of varying its terms before it should be ratified?

A—Yes.

Q—And these letters were addressed to you as being the most important or one of the people who had to do with the ratification?

A—As one of the people.

Q—And as leader of the party?

A—At the time the subject was before a select committee, my party had a majority and I think the Attorney General was chairman.

Q—You were leader of the party and had a majority at the meeting?

A—Yes.

Q—You would have very considerable power in the matter?

A—I certainly would.

Q—And therefore you would, notwithstanding that the agreement had originally been entered into by your deputy?

A—By the Acting Prime Minister.

Q—Who was your deputy, you were in a position to give those companies great assistance if you chose?

A—Yes.

Q—Another thing I want to know and it strikes me that it alters my view about one thing; that elimination was in the air as early as July?

A—I think it speaks of the increase of time five to eight years pointing out that there had to be an entirely revised contract.

Q—The elimination of the expenditure clause the Blast furnace proposals, that is the clause I have got in my mind. Is it so that an elimination of clauses was in the air in July?

A—It was one of the items before the select committee.

MR. LEWIS—Is it a fact that a similar letter was sent to every member of the Committee?

A—I don't know.

MR. LEWIS—The Attorney General advises me that it was so.

A—I got a letter and the Committee was fully informed; but if they got it by individual letters, I don't know.

Q—Was the letter considered by the Committee?

MR. WARREN—How does he know that? Ask him if he was there at all?

COMMISSIONER—Was it produced at the Committee meeting?

A—I don't remember.

MR. WARREN—What it is better to say at the meeting at which he was present?

COMMISSIONER—I thought it would not be necessary to say that.

COMMISSIONER—My recollection is that the Attorney General did me the courtesy of attending to the business at that meeting. I think he was the chairman.

A—This document was not brought to the attention of the Committee in your presence?

A—It was discussed in the presence of Mr. Gillis at his meeting at which I was present. I was not at all the meetings.

Q—It may have been discussed at them all; was the document itself produced?

A—I don't remember the actual documents being in the hands of the members at any meeting at which I was present, but I did not attend all of them.

Q—I am only asking you about the ones you attended?

MR. LEWIS—After the finalization of the agreement and having received the Legislative approval did you have a conference with any of the officials of the Company in the fall of 1931?

A—Yes. I passed through Montreal in the fall of 1931.

Q—Are you able to state with whom you conferred?

A—Mr. Wolvin and Mr. McDougall.

Q—How long were you at Montreal at that time?

A—A few days.

Q—Were there labour troubles at that time?

A—No, I don't think there were labour troubles at that time, but while I was in Montreal I wanted to make sure that the mines would not close down in the winter as they did the winter before.

Q—Were there any discussions with the officials of the Company with the view to eliminating the clauses?

A—Yes, and the memo would submit it.

Q—Was it made at that time?

A—It was forwarded to me based on the interview I had with Mr. Wolvin and Mr. McDougall.

COMMISSIONER—This was prepared for submission to the Newfoundland Government?

A—Yes; well I don't know what it was prepared for.

Q—It does not appear to bear any date.

MR. LEWIS—I have identified it as being subsequent to his visit to Montreal in the fall of 1931.

COMMISSIONER—It was sent to you here?

A—It was delivered to me here at St. John's.

COMMISSIONER—After your visit to Montreal, in the fall of 1931, is that it?

A—Yes, that is my recollection. (Memo read and copy attached hereto.)

A—This came before the Committee of Council.

Q—Blast furnaces is one of the things mentioned in the clause, I think it is?

A—Yes, sir.

MR. LEWIS—Do you remember what you said or what your attitude was, in the discussion you had with them?

A—The personal discussion?

Q—Yes.

A—I took the position that the contract was one which had been negotiated by Coaker and my colleagues during my absence and I took the position that I was not prepared to discuss it without Mr. Coaker, with whom he had concurred at the time.

COMMISSIONER—You did not say that to Mr. Gillis in answer to his letter?

A—That was in St. John's.

Q—You were not refusing to consider them?

A—I refused to discuss them on the ground that I was not prepared to bind myself anyway it was a matter that had to be dealt with with the concurrence of Sir William Coaker.

MR. LEWIS—It was submitted by you to the Committee of Council?

A—It came before the Council in October.

Q—And was there some action taken by the Council?

A—After the consideration of that proposition I sent a telegram message to Mr. McDougall under date of October 27th.

Q—Of which this is a copy?

MR. LEWIS—I offer the copy of the message.

COMMISSIONER—I take it.

Referring your letter of September twenty sixth if you would undertake five winter and spring employment to one thousand men in addition to number of men at present employed Government would be prepared to

equal to or more than that which I was present. I was not at all the meetings.

Q—It may have been discussed at them all; was the document itself produced?

A—I don't remember the actual documents being in the hands of the members at any meeting at which I was present, but I did not attend all of them.

Q—I am only asking you about the ones you attended?

MR. LEWIS—After the finalization of the agreement and having received the Legislative approval did you have a conference with any of the officials of the Company in the fall of 1931?

A—Yes. I passed through Montreal in the fall of 1931.

Q—Are you able to state with whom you conferred?

A—Mr. Wolvin and Mr. McDougall.

Q—How long were you at Montreal at that time?

A—A few days.

Q—Were there labour troubles at that time?

A—No, I don't think there were labour troubles at that time, but while I was in Montreal I wanted to make sure that the mines would not close down in the winter as they did the winter before.

Q—Were there any discussions with the officials of the Company with the view to eliminating the clauses?

A—Yes, and the memo would submit it.

Q—Was it made at that time?

A—It was forwarded to me based on the interview I had with Mr. Wolvin and Mr. McDougall.

COMMISSIONER—This was prepared for submission to the Newfoundland Government?

A—Yes; well I don't know what it was prepared for.

Q—It does not appear to bear any date.

MR. LEWIS—I have identified it as being subsequent to his visit to Montreal in the fall of 1931.

COMMISSIONER—It was sent to you here?

A—It was delivered to me here at St. John's.

COMMISSIONER—After your visit to Montreal, in the fall of 1931, is that it?

A—Yes, that is my recollection. (Memo read and copy attached hereto.)

A—This came before the Committee of Council.

Q—Blast furnaces is one of the things mentioned in the clause, I think it is?

A—Yes, sir.

MR. LEWIS—Do you remember what you said or what your attitude was, in the discussion you had with them?

A—The personal discussion?

Q—Yes.

A—I took the position that the contract was one which had been negotiated by Coaker and my colleagues during my absence and I took the position that I was not prepared to discuss it without Mr. Coaker, with whom he had concurred at the time.

COMMISSIONER—You did not say that to Mr. Gillis in answer to his letter?

A—That was in St. John's.

Q—You were not refusing to consider them?

A—I refused to discuss them on the ground that I was not prepared to bind myself anyway it was a matter that had to be dealt with with the concurrence of Sir William Coaker.

MR. LEWIS—It was submitted by you to the Committee of Council?

A—It came before the Council in October.

Q—And was there some action taken by the Council?

A—After the consideration of that proposition I sent a telegram message to Mr. McDougall under date of October 27th.

Q—Of which this is a copy?

MR. LEWIS—I offer the copy of the message.

COMMISSIONER—I take it.

Referring your letter of September twenty sixth if you would undertake five winter and spring employment to one thousand men in addition to number of men at present employed Government would be prepared to

equal to or more than that which I was present. I was not at all the meetings.

Q—It may have been discussed at them all; was the document itself produced?

A—I don't remember the actual documents being in the hands of the members at any meeting at which I was present, but I did not attend all of them.

Q—I am only asking you about the ones you attended?

MR. LEWIS—After the finalization of the agreement and having received the Legislative approval did you have a conference with any of the officials of the Company in the fall of 1931?

A—Yes. I passed through Montreal in the fall of 1931.

Q—Are you able to state with whom you conferred?

A—Mr. Wolvin and Mr. McDougall.

Q—How long were you at Montreal at that time?

A—A few days.

Q—Were there labour troubles at that time?

A—No, I don't think there were labour troubles at that time, but while I was in Montreal I wanted to make sure that the mines would not close down in the winter as they did the winter before.

Q—Were there any discussions with the officials of the Company with the view to eliminating the clauses?

A—Yes, and the memo would submit it.

Q—Was it made at that time?

A—It was forwarded to me based on the interview I had with Mr. Wolvin and Mr. McDougall.

COMMISSIONER—This was prepared for submission to the Newfoundland Government?

A—Yes; well I don't know what it was prepared for.

Q—It does not appear to bear any date.

MR. LEWIS—I have identified it as being subsequent to his visit to Montreal in the fall of 1931.

COMMISSIONER—It was sent to you here?

A—It was delivered to me here at St. John's.

COMMISSIONER—After your visit to Montreal, in the fall of 1931, is that it?

A—Yes, that is my recollection. (Memo read and copy attached hereto.)

A—This came before the Committee of Council.

Q—Blast furnaces is one of the things mentioned in the clause, I think it is?

A—Yes, sir.

MR. LEWIS—Do you remember what you said or what your attitude was, in the discussion you had with them?

A—The personal discussion?

Q—Yes.

A—I took the position that the contract was one which had been negotiated by Coaker and my colleagues during my absence and I took the position that I was not prepared to discuss it without Mr. Coaker, with whom he had concurred at the time.

COMMISSIONER—You did not say that to Mr. Gillis in answer to his letter?

A—That was in St. John's.

Q—You were not refusing to consider them?

A—I refused to discuss them on the ground that I was not prepared to bind myself anyway it was a matter that had to be dealt with with the concurrence of Sir William Coaker.

MR. LEWIS—It was submitted by you to the Committee of Council?

A—It came before the Council in October.

Q—And was there some action taken by the Council?

A—After the consideration of that proposition I sent a telegram message to Mr. McDougall under date of October 27th.

Q—Of which this is a copy?

MR. LEWIS—I offer the copy of the message.

COMMISSIONER—I take it.

Referring your letter of September twenty sixth if you would undertake five winter and spring employment to one thousand men in addition to number of men at present employed Government would be prepared to

equal to or more than that which I was present. I was not at all the meetings.

Q—It may have been discussed at them all; was the document itself produced?

A—I don't remember the actual documents being in the hands of the members at any meeting at which I was present, but I did not attend all of them.

Q—I am only asking you about the ones you attended?

MR. LEWIS—After the finalization of the agreement and having received the Legislative approval did you have a conference with any of the officials of the Company in the fall of 1931?

A—Yes. I passed through Montreal in the fall of 1931.

Q—Are you able to state with whom you conferred?

A—Mr. Wolvin and Mr. McDougall.

Q—How long were you at Montreal at that time?

A—A few days.

Q—Were there labour troubles at that time?

A—No, I don't think there were labour troubles at that time, but while I was in Montreal I wanted to make sure that the mines would not close down in the winter as they did the winter before.

Q—Were there any discussions with the officials of the Company with the view to eliminating the clauses?

A—Yes, and the memo would submit it.

Q—Was it made at that time?

A—It was forwarded to me based on the interview I had with Mr. Wolvin and Mr. McDougall.

COMMISSIONER—This was prepared for submission to the Newfoundland Government?

A—Yes; well I don't know what it was prepared for.

Q—It does not appear to bear any date.

MR. LEWIS—I have identified it as being subsequent to his visit to Montreal in the fall of 1931.

COMMISSIONER—It was sent to you here?

A—It was delivered to me here at St. John's.

COMMISSIONER—After your visit to Montreal, in the fall of 1931, is that it?

A—Yes, that is my recollection. (Memo read and copy attached hereto.)

A—This came before the Committee of Council.

Q—Blast furnaces is one of the things mentioned in the clause, I think it is?

A—Yes, sir.

MR. LEWIS—Do you remember what you said or what your attitude was, in the discussion you had with them?

A—The personal discussion?

Q—Yes.

A—I took the position that the contract was one which had been negotiated by Coaker and my colleagues during my absence and I took the position that I was not prepared to discuss it without Mr. Coaker, with whom he had concurred at the time.

COMMISSIONER—You did not say that to Mr. Gillis in answer to his letter?

A—That was in St. John's.

Q—You were not refusing to consider them?

A—I refused to discuss them on the ground that I was not prepared to bind myself anyway it was a matter that had to be dealt with with the concurrence of Sir William Coaker.

MR. LEWIS—It was submitted by you to the Committee of Council?

A—It came before the Council in October.

Q—And was there some action taken by the Council?

A—After the consideration of that proposition I sent