

Enquiry Into Section II. Nears Conclusion.

Continued from page 6.

Q.—Did McDougall express any opinion after the interview?
A.—He wanted to know if those two shapes were crazy.

Q.—Was that all that was said?
A.—Yes.

Adjournment was taken at this juncture until the afternoon.

WEDNESDAY AFTERNOON SESSION.

Gillis on the stand (Cross-examined by Mr. Hunt).

Meany saw Gillis alone in his office at Montreal when they discussed the re-opening of the mines at Wabana. Mr. Meany told him "he had come to Montreal at the request of Sir Richard Squires. Gillis further said he came down to Newfoundland early in February he did not meet Miller or Meany at the time. He remembered writing Miller, letter already in evidence which letter was the outcome of a pencilled note from Miller on board the boat early in February of 1923.

Q.—Have you got that pencil note?
A.—I have.

Note produced and accepted by Commissioner as evidence.

Gillis passed a copy of the note on to the Company's President.

Another letter dated February 24th, 1923 was then produced by Mr. Gillis written by him. The letter stated that some high official had secured the \$46,000 and not Sir R. A. Squires despite the fact that the Company believed that Sir Richard actually received it.

Mr. Gillis continued that if Mr. Miller could not convince the heads of the Company that Sir Richard had got the money, it would be probable that some action against Miller might be taken.

Questioned further witness said he had asked his people to let him out from all negotiations as it was not in his particular department. He however admitted that some facts concerning the elimination of the clauses were referred to.

Mr. Gillis said he thought that even up to the present time that the amounts are still charged up to Mr. James Miller on the Company's books. Miller resigned November 1922 but was continued on the pay roll until the end of the year.

The reason why the \$46,000 is charged up to Miller is in order that some official might sponsor the amount.

COMMISSIONER.—Do you know Mr. McDougall very well?

MR. GILLIS—I do.

COMMISSIONER.—Do you think he is the kind of a man who would pay away \$46,000 without knowing where it was going to?

GILLIS—I don't know.

Mr. Knight submitted bank statements.

Messages from Miller to Gillis dated July 14th, 1923, was then produced and accepted as evidence.

Another letter undated which Mr. Gillis recognized as one he sent to Miller was entered and read by the Commissioner.

NO CONCESSIONS, BROKEN TIME.

Dear Sir.—Your messages regarding legislation have been disappointing as the Company believed the tax exemption and other concessions which were the subject of negotiation between our president and vice president and the Newfoundland Government had been conceded and only awaited formal ratification by the House to become law.

Your messages indicated that further concessions must be made by us before any real benefit will be derived from the effort we put forth during the past winter to keep our mines operating. The messages were rather vague although speaking of increased force the increase expected is not stated. Furthermore the changes to be made in the agreement were not specified and it would be impossible to agree to anything until these points were cleared up.

The Government apparently does not realize that our operations at Wabana are only justified on the grounds of relief work and we will doubtless have to take losses on any ore shipped during the season. If we have to add export tax to these losses it would be far better to close out relief to our workmen rather than continue operations. We have hopes of securing an order for a considerable tonnage but the price does not permit us to entertain the offer if export tax must be paid.

At present our shipping programme consists of two ships engaged on trip charter—so our guaranteed shipments to Sydney will be almost nil unless we decide to use boats otherwise idle. The blast furnaces here are banked and will continue to remain so until business improves.

Our guarantee at present are therefore impossible. The most we can agree to is to do our best and employ as many men as we can find business to keep employed.

We have been accustomed at Wabana to look upon a sure outlet for our ore at Sydney and the practical suspension of operations at the furnaces during the past year has created a very difficult situation. Our costs must be maintained at a figure to permit us to

place the ore in competitive markets and with the Sydney consumption at a standstill the entire overhead is placed on the export ore.

The Government case very well claims that any concessions they grant such as elimination of Capital Expenditure clause and Blast furnace proposals are for the public benefit because full time working and maximum force can only be employed at our mines when some of the punitive clauses of the Wolvin agreement are rendered obsolete. On the other hand if they are not disposed to grant these concessions I fear we must continue to look for nothing but broken time for the mines. I do not think you realize the struggle the Company is having to keep going or in any event you must have failed to convince the parties you are dealing with of the impossibility of increasing our load at Wabana without destroying the industry.

Yours truly,

H. B. GILLIS.

MR. HUNT asked Miller to look up a message from Miller dated Mar. 15, 1922.

MR. GILLIS produced the message which was put in.

MR. HUNT.—Do you know it any steps were ever taken to collect this \$46,000 from Mr. Miller?

MR. GILLIS—I do not know.

COMMISSIONER.—When was this shortage first known by the Company?

MR. GILLIS.—In 1921.

MR. MILLER then represented that he had authority to give this accommodation to Sir R. A. Squires by certain directors of the company.

MR. GILLIS reported shortage to General Manager of Company and Chief Auditor. The company's comptroller verified the report. He testified that so long as the Company understood and believed that the money had gone to Sir R. A. Squires they the Company was satisfied.

Mr. Hunt's examination of Mr. Gillis ceased at 4 p.m.

MR. KNIGHT questioned Mr. Gillis respecting the personnel of the various companies included in The British Empire and Steel Co. Corporation and dealt with facts relative to the \$20,000 note which Mr. Miller at first told Mr. Gillis the Company was not involved. Mr. Gillis was not aware that Mr. Miller or Mr. MacDonald had any authority to make or back a note of this kind. He (Gillis) told Mr. Wolvin that the boys in the Bell Island office had got themselves into trouble by backing a note of accommodation for Sir Richard Squires and that the bank was pressing for the amount and they were up against it as Sir Richard was away at the time. Mr. Gillis hoped that Mr. Wolvin might arrange for an extension until Sir Richard came back. Mr. Wolvin said he would see what could be done. In the evidence given, Gillis said he understood Miller had authority to sign the note from members of the company. The company members mentioned were Mr. McDougall and Sir W. D. Reid.

MR. GILLIS told Miller to prepare a special voucher and transfer this amount to the Sydney office. Editors were made by Miller on several occasions to have the \$46,000 wiped off the books although. Messages confirming this request was signed by Miller wherein he asked that the \$26,000 account be also transferred to the Sydney account.

MR. KNIGHT concluded at 5 p.m.

THIS MORNING'S SESSION.

Enquiry to Adjourn Until Monday.

When the voucher opened this morning Mr. Jas. Miller was called to the stand to identify returns and bank statements. Quite a lot of time was spent in examining the documents. The principal documents sought amongst the statements sent to Sydney from July 1920 to Dec. 21st 1921 was the cash account for August.

The Commissioner wanted to know at what period the transaction with Sir Richard became known to the Sydney officials. The documents did not show this as only the bank book statements had been forwarded. The documents therefore were not put in evidence.

MR. WINTER then took up the re-examination of the witness on the manner in which the accounts were kept. Regarding the \$20,000 the witness said it was debited to the general account at the Bank and the same applied to the smaller drafts.

COMMISSIONER.—Supposing Sir Richard had cleared off the accommodation by October, would the transaction be known at Sydney?

A.—No, except through Mr. Gillis.

To the Attorney General the witness said the auditors would know of the \$20,000 had they checked up the Bank account. The Attorney General then announced that he would get Mr. Tasman to give evidence on the point.

MR. LEWIS followed with a cross-examination of Miller's conversation with Gillis in April. After explaining how he made requisition for payroll and general requirements, the witness was asked if it was a fact that he added \$20,000 more than was needed for that occasion. He replied

that he added \$20,000 to the estimate of the expenses in order to cover the note when it matured and the amount was used for the purpose. Mr. Lewis concluding his cross-examination of Miller intimated that he did not intend to cross-examine Mr. Gillis. The Commissioner remarked that he was not surprised that Mr. Lewis did not desire to cross-examine the witness, as in his opinion the evidence of Mr. Gillis was not evidence against Sir Richard but there were others to be considered.

The Attorney General intimated that Mr. Molinis was wired with a view to his attendance, but no reply has been received.

The Commissioner remarked that Mr. Molinis was one of the cards in the pack.

The Attorney General announced that for the present the case for the Crown so-called was closed. As Mr. Tasman would not be present before evening, the Commissioner requested Mr. Lewis to call his witnesses. The latter objected, and asked for adjournment until Monday, as he had not had time to prepare for the examination of Sir Richard.

The Commissioner opposed further delay. Quite a long argument ensued, and the Attorney General intimating that his side hesitated to push Sir Richard's attorney unduly in preparing his case, it was allowed to stand over until Monday. This afternoon the Attorney General will recall Mr. Gillis for examination and it is possible Mr. Tasman will also be present.

Interchange of Correspondence Between Attorney General and Mr. Glennie.

Before adjournment for lunch the Attorney General informed the Commissioner that efforts had been made by him to get Mr. Glennie of the Bank of Nova Scotia here from Toronto to give evidence and read some messages that had passed between him and the General Manager of the Bank in relation to the matter.

The Attorney General had been asked if it would not be sufficient for Mr. Glennie to give his evidence in Montreal to which he replied that the Commissioner and himself wished to have Mr. Glennie here and that it would be in the interest of the Bank for him to come here.

The General Manager wired Mr. Warren that while in Newfoundland Mr. Glennie had suffered from pneumonia and that climatic conditions in this country had necessitated his leaving here, that he was still far from well and that he was feared a trip to Newfoundland at this time would further endanger his health.

To this the Attorney General replied that he regretted Mr. Glennie was still suffering from the ill effects of his stay in Newfoundland, that he trusted he would fully recover when this enquiry was over and that he hoped the inclement weather being experienced in Newfoundland was not having a detrimental effect on the Bank.

To this message the Attorney General has so far received no reply.

Nfld. Horseman's Association.

ANNUAL MEET VIDI VIDI Feb. 13th.

At a meeting of the Nfld. Horseman's Association held in the Board of Trade rooms recently, the following officers were elected.

President—Gerald Harvey.

1st Vice-Pres.—Hon. F. McNamara.

2nd Vice-Pres.—G. R. Williams.

Secy.—Treas.—John D. O'Driscoll.

The following programme was drawn up for this year's annual meet which will be held on Wednesday, Feb. 13th, weather and ice conditions permitting.

Free for all—Trot.

Free for all—Pace.

Handicap Trot or pace.

Class B—Trot or pace.

On February 20th, the championship race (pace or trot) will be held. On this afternoon there will also be a colts race for colts and fillies under three years.

The owner of "May Taunton" (Mr. Joe Judge) is not putting his mare in the native bred race, as she has won this race for the past three years. This is very sporty of Mr. Judge and ought to encourage many other entries for this race.

The Class B trot or pace is to give horses that are not fast enough for the free-for-all, an opportunity to show their wares, and it is expected that there will be quite a number of entries for this race, as it is open to all.

To make things interesting, the Association is holding a sweepstake on the free-for-all trot. The following horses have been entered for this event:—Mollivera, Pettellian, Harry Noko, Betty Dillon and Blue Jay MacGregor.

The President, Mr. Gerald Harvey has presented a silver cup for the race. The 1st V.P., Hon. F. McNamara, has also donated a cup for the Native-Bred and the Secy. has presented one for the Championship Race. Everything points to a successful day's sport.

GAME POSTPONED.—The hockey match scheduled for to-night between the Guards and St. Bon's teams has been postponed owing to the mild weather. The surface of the rink this morning was covered with water.

Stock Market News

TO-DAY'S OPENING.

Am. Smelters	58 1/2
Am. Can	117 1/2
Anacosta	38 1/2
Bethlehem	55 1/2
Butte	35 1/2
Coeur d'Alene	32 1/2
Kelly	28 1/2
Pacific Oil	55 1/2
Pan-Am	47 1/2
Punta	40 1/2
Standard	23 1/2
Sub-Bot	10 1/2
Studebaker	102 1/2
Union Pac.	130 1/2
U.S. Steel	105 1/2

Montreal.

Abitibi	68 1/2
Brascan	45 1/2
Brompton	40 1/2
E.S.S.	4 1/2
Laurentide	85 1/2
Montreal Power	155 1/2
Shawinigan	134 1/2
S.R. Com.	107 1/2
S.R. Ptd.	113 1/2

Cotton.

May	3.34 5/8
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NEW HAVEN'S HEAVY TRAFFIC.

Freight Movement Broke all Records in 1923.

Boston.—Freight business of the New

York, New Haven and Hartford Railroad in December totaled 615,785,000 gross ton miles, an increase of 18 per cent. over December, 1922. Total for the year was 7,368,292,000 gross ton miles, an increase of 18 per cent. over 1922.

Both December and the year represented the largest volume since the cross ton mile record was started in 1917.

Traffic has decreased in January compared with December, as might be expected, but the January volume up to date compares favorably with January in other years. The volume for the week ended January 10 was the largest for the corresponding week of that month since 1920.

The very favorable weather conditions so far this month have assisted the New Haven to move the traffic promptly. Expenses have been kept down well. While it is not expected that New Haven will show fixed charges fully earned for the month—it practically never does cover them in January and February—the result should be in sharp contrast with January, 1923, when there was a deficit after charges of \$2,180,059. February, 1923, likewise contributed a deficit after charges of \$1,322,364.

of the Government. Mr. MacDonald believes that free and open negotiations along human, liberal and conciliatory lines will bring about a settlement of Europe more quickly than the old-time secret diplomacy with its uncertainties, suspicions, and delays.

While the word "hold" may be too strong an adjective to be applied to the policy which Premier MacDonald is expected to adopt toward France, it is certain to be firm, frank and fearless. This is evidenced, his friends say, by the Premier's candid statement to Poincaré that British public opinion views the French policy with a certain degree of suspicion and apprehension of what is going to happen in Europe.

ILLNESS OF VENIZELLOS CAUSES A CRITICAL SITUATION IN GREECE.

ATHENS, Jan. 31. The illness of Premier Venizelos has precipitated a grave crisis in Greece full of far-reaching eventualities and externally and internally. The probabilities that the Venizelos government is about to resign are increasing, because of the premier's breakdown and the insistence of the Republicans upon having the National Assembly declare the Glucksky dynasty abolished, against the determination by Venizelos that this question be decided by a referendum. This external threat is pointed to in political circles as coming from Italy and Yugoslavia who it is feared will adopt an antagonistic attitude if a republic is established other than by a plebiscite. The Republicans in control of the army are understood to be planning to surprise the Royalist newspapers which the Venizelist government permitted to reappear to-day, and to deal drastically otherwise with all opposition. Mr. Kafandaris, who is Anti-Republican, is considered the most probable successor of Venizelos, should the latter resign. The drachma showed a weakening tendency to-day in a nervous exchange market.

BRITISH PRESS EXPECT LITTLE FROM CORRESPONDENCE WITH FRANCE.

LONDON, Jan. 31.

The exchange of letters between Premier MacDonald and Poincaré regarding a complete Anglo-French understanding evokes but little comment from the morning newspapers. Pending publication of the texts, but such as has appeared does not build much hope for improvement in relations between two countries.

U. S. A. HOCKEY TEAM DEFEAT BRITISH.

CHAMONIX, Jan. 31.

The United States Olympic hockey team defeated Great Britain to-day by 11-0 clinching first place in its end of the draw, and reaching semifinals. The Yankee play the second team in the upper half to-morrow, probably Sweden, while the Canadian winners in the other half of the draw meet the Old Country team.

LINER ON THE REEFS OUTSIDE KINGSTON, Jan. 31.

Elders and Fyfe's steamer Crono-aid which left Kingston for Avonmouth with forty passengers and a full cargo of fruit Monday, struck near Morant Point at the east end of Jamaica Monday evening, but a few hours later sailing. The vessel is lying in an exposed position but weather is fair. The wrecking steamer Willett is endeavoring to save the vessel.

NO CANADIAN APPOINTMENT TO WASHINGTON AS YET.

OTTAWA, Jan. 31.

The Canadian government is not at present considering the appointment of a minister to Washington according to statement issued to-night by Premier King in reference to newspaper reports stating that Sir Arthur Currie had been given the opportunity of being the first appointee as a Canadian plenipotentiary at the United States capital.

DESCO DIRECTORS MEETING IN MONTREAL.

MONTREAL, Jan. 31.

A meeting of the directors of the British Empire Steel Corporation, which opened here to-day, was adjourned this evening until to-morrow. While no statement was given out, it is understood the present Nova Scotia coal miners strike was under discussion.

MACDONALD FRANK DECLARED TO BE FIRM, POLICY AND FEARLESS.

LONDON, Jan. 31.

Premier MacDonald's frank letter to Poincaré of France, in which he expressed regret that Franco-British relations were not as cordial as they might be, and expressing the hope that France might adopt a conciliatory spirit, was the topic of animated discussion in political and Government circles to-day. It was said authoritatively that the new Labor Prime Minister's letter may be taken as the keynote of the future foreign policy

of the Government.

Coastal Boats.

Argyle left Argente 3.15 p.m. Tuesday on the Merabean route.

Glencoe left Burn at daylight yesterday, going west.

Kyle left Port aux Basques 11 a.m. yesterday for North Sydney.

Meigs: no report leaving Port aux Basques.

Prospero sailed north at 2 p.m. Portia on dock.

Here and There.

S.S. Miranda has sailed from Port Union with 21,800 qts. codfish for Exporto.

EXPRESS OUTWARD.—S.S. Prospero, Capt. Field, sailed for the northward at 2 p.m. The ship took a half cargo of freight and one passenger, Mr. H. Earle for Fogo. The Prospero will proceed north as far as ice conditions permit.

THE TRAINS.—The incoming express with the Kyle's mails and passengers left Placentia Junction at 9.50 a.m. and was due to reach the city at 3 o'clock. The regular cross-country express which was scheduled to go out at 1 p.m. to-day has been cancelled, and an accommodation train went out instead with local mails for points as far as Milbertown Junction. Tuesday's westbound express left Deer Lake 8.20 last night. There is no report of her reaching Port aux Basques on account of wire trouble. The local Caribou train arrived at 12.55. The weather is fine and mild all along the railway to-day.

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Jan 31-Feb 5, 1924

Firemen Receive Call

A slight blaze in the paint shop of Mr. S. Boland, Gower Street brought the fire departments out at 1.30 yesterday morning. A couple of streams of water were quickly brought into play and in less than ten minutes all danger had passed. The premises were damaged by water and smoke whilst a portion of the stock carried was rendered useless. The fire is supposed to have originated by fire left in a gothic grate.

Enjoyable Card Party and Dance

The dance and card party held by the Star R. R. and B. Committee on Monday night was attended by a very large number of young people and proved very enjoyable. The prizes in the card tournament were won by Mr. P. O'Flynn and Miss O'Toole. Dancing was indulged in following supper, the music being furnished by the G.C.C. Orchestra. The ladies will hold a novelty dance on St. Valentine's Night.

Inter-Club Billiard Tourney

Second Half Series Opens To-night.

The second half of the Inter-Club Billiard Tournament between the M.G.C.A. and C.E.I. players, will open to-night in the M.G.C.A. rooms. The first half of the series resulted in the C.E.I. players gaining an overwhelming lead of 475 points on their own table, while the same of Reid vs. Angel is yet to be heard from. With the play now being confined to the Guards rooms, the series will no doubt prove interesting, and it will not be surprising if the M.G.C.A. players lead down their opponents' lead considerably, because there is a big variation in the two boards. The players for to-night will be: F. H. Diamond (M.G.C.A.) vs. L. Hooker (C.E.I.) 8.00 N. F. Ellis (M.G.C.A.) vs. G. Heath (C.E.I.)

The Royal Stores Dance

A DELIGHTFUL FUNCTION.

The annual re-union and dance of the Directors and employees of the Royal Stores took place on Tuesday night, Jan. 29th, and was thoroughly enjoyed by all. Every departmental head had his or her place on the managing committee, and everything possible was done to insure a pleasant evening's enjoyment. Miss Julia Barrett ably assisted by Misses Sperry, Thompson, Mitchell, Miller (2), Edgcombe presided over the supper table, and were responsible in no small way for the success of this pleasing event. The Sunbeam and Moonlight Waltzes were a special feature of the occasion. Messrs. Russell and Tait manipulated the lantern slides for these dances, and did it to perfection. The Elimination dance was won by Miss Merchant and Mr. Messers, Eddie Ryan and Russell acted as floor managers, and were indubitably in their efforts to see that all were enjoying themselves. The second floor of the new Furniture store was transformed into a ballroom being very artistically decorated by Messrs. Saunders, Marshall, Russell and Miss Miller for the occasion and was very favorably commented upon by all present. During the evening Mr. Salter on behalf of the employees thanked Mr. H. Macpherson, and through him the firm of the Royal Stores, for their kindness and generosity in providing this excellent and enjoyable affair, and hoped that the spirit of co-operation which was so manifest here to-night would continue to the mutual benefit of all concerned. Mr. Macpherson responded, and hoped that all enjoyed themselves as much as he had. Three cheers were then called for and were given with a vim that made the rafters ring. The dance was kept up until the wee sma' hours. Auld Lang Syne brought to a close a very happy evening's pleasure. The Club Band under Capt. Morris furnished the music, which was of an exceptionally high order and added considerably to the success of the Re-union.

Supreme Court

(Before Mr. Justice Kent)

In the matter of the petition of Abner T. Wolfrey, of Lewisport, Merchant, alleging that Curtis Boone and H. A. Northcott, carrying on business in the name and style of the "Caribon Restaurant" are insolvent and praying that they be sequestrated.

Adjourned hearing. Mr. Curran for Curtis Boone asks that the matter be adjourned until Thursday, Feb. 14th. Mr. W. J. Higgins, K.C., for H. A. Northcott, consents. It is