

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

(Continued from page 9.)

A—I was introduced to him at the Crosbie Hotel.

Q—Who introduced you?

A—I do not know. Perhaps it was Mr. Gillis.

Q—Well then you knew Mr. Gillis before you knew Mr. McDougall?

A—Yes.

Q—How long have you known Mr. Gillis?

A—Since some time in 1919. I am not quite sure about the date.

Q—When you met Mr. Gillis at the Crosbie Hotel was Mr. McDougall there also?

A—I do not remember; all I know is that they generally stayed there when in St. John's.

Q—Did you see them there together at any time in the early part of 1922?

A—I do not know.

Q—Do you know that the so-called ten year Royalty Agreement, which was something in the nature of an export tax made between the Government and the Companies, had expired on the 31st Dec. 1921?

A—I cannot answer you on dates; but I have a general knowledge that the export duty was brought in at first by the Morris administration.

Q—And did you think that it had expired at the time you met Mr. McDougall first in the early part of 1922?

A—I do not.

Q—Had you any previous knowledge that it was about to expire after a certain period?

A—Yes.

Q—So that you were aware of that fact?

A—I did not say that. I knew that the Royalty agreement was in existence for a certain term of years and that it naturally would expire when that time was up.

Q—Did you have any conversation with Mr. McDougall on that occasion at the Crosbie Hotel?

A—Yes. We discussed personal matters.

Q—Personal matters entirely?

A—Yes.

Q—Was there anything said by him in the course of the conversation as to the nature of his business in St. John's?

A—No. Mr. McDougall is not that sort of man to let everybody know his business.

Q—Did you have any conversation with Mr. Gillis at the Crosbie Hotel?

A—Yes.

Q—Was the matter of the Royalty Agreement the subject of any part of your conversation with him?

A—I have no recollection of it.

Q—Was there anything by him to you or by you to him on the subject of the Coaker-Wolvin matter?

A—The matter was not mentioned in my recollection.

Q—How long were you in conversation at the time you were discussing personal matters?

A—I do not know exactly. Perhaps it was a half hour and perhaps it was less.

Q—Was anybody else present other than yourself, Mr. McDougall and Mr. Gillis?

A—I did not say that the three of us were present at the time. I said that when I had a conversation with Mr. McDougall we discussed personal matters; but I did not say that anybody else was present then.

Q—Well then there was nobody else present?

A—I do not know. I have no recollection.

Q—Can you tell me when you first knew McInnis?

A—I did not say that I ever knew Mr. McInnis. I did not know him.

Q—Didn't you never have any acquaintance with him?

A—No.

Q—Did you see Mr. McDougall again during the year 1920?

A—This was in the Spring of 1920 I was referring to. I might have met him again; but I have no recollection of meeting him again in 1920.

Q—When did you meet him again?

A—I do not recall having met him again until I met him on business in Montreal in 1921.

Q—You say on business. Would you have met him in a social way again before you met him on business in Montreal?

A—It is not improbable; I cannot remember though.

Q—Was the extent of your acquaintance at the time you met Mr. McDougall in Montreal so measured by the meeting that you had with him at the Crosbie Hotel?

A—Maybe.

Q—Then you were so far as Mr. McDougall is concerned a stranger to him, excepting that you had met him in a social way at the Crosbie Hotel.

A—We were not strangers after we had met.

Q—But the extent of your acquaintance was limited by the one meeting you had at the Crosbie Hotel was it not?

A—It is not improbable that we had other meetings.

Q—Can you recollect any other meeting?

A—No.

Q—Is there a probability that there was another meeting?

A—It is quite probable there was.

Q—And you cannot tell us when or where any other meeting, if there was one, occurred?

A—I am sorry I cannot.

Q—I ask you this question for the purpose of record. At the meeting between you and Mr. McDougall at the Crosbie Hotel was anything whatever said about the elimination of the clauses of the Coaker-Wolvin agreement?

A—No, not to my recollection.

COMMISSIONER—If you had any other meeting with Mr. McDougall before you met him in Montreal, was there anything said about the two clauses as far as you know?

A—No.

MR. LEWIS—Did you discuss the subject of the elimination of those clauses at any time prior to your trip to Montreal with any official or employee of either Company?

A—Yes, with Mr. Miller.

Q—When did that discussion take place?

A—Shortly prior to my leaving for Montreal.

Q—Was that the first time it was brought to your attention?

A—Shortly after I met Mr. Miller the matter was brought up.

Q—Might that have been in the latter part of 1920?

A—Yes, it might have been.

Q—Did Mr. Miller suggest to you at any time that the Companies might be willing to pay a substantial sum of money for the elimination of these clauses?

A—Yes, Mr. Miller in my recollection stated that he believed the Companies would be satisfied to make a payment if they could obtain the elimination of those clauses.

Q—You had no such thought on the subject before you met Mr. Miller at that time?

A—No, not to my knowledge.

Q—Had Mr. Miller at that time to your knowledge been seeking advancement or promotion from the Company by which he was employed?

A—I had heard nothing about it.

Q—Did he tell you at that time he was desirous of getting promotion or advancement?

A—No, not to my knowledge.

COMMISSIONER—Mr. Miller did not say so.

MR. LEWIS—He may not have told us so, but he may have told Mr. Meany so.

A—I have no recollection of anything of the kind.

Q—Did there come a time when Mr. Miller talked with you about promotion or advancement?

A—Yes.

Q—When was that?

A—I think it was in 1922. My recollection is that it was in the latter part of 1922 when I heard it first.

Q—What promotion did he tell you he was seeking?

A—He said he had hopes of getting appointed in St. John's as Company representative.

Q—Earlier than that had he not expressed a desire for a transfer to the Canadian office from Wabana?

A—He never mentioned it to me.

Q—Had you heard of any such thing on the part of Miller from any official of the Company?

A—I have not.

Q—When Miller did tell you of his desire to seek the appointment of Company representative in St. John's, what was said on that subject, if anything, as to the prospects of his securing that appointment?

A—I do not remember him saying anything particularly, except that he mentioned to me that he was looking for the appointment. I have no knowledge now as to what he said exactly.

MR. LEWIS—You don't seem to remember anything.

A—I can remember as well as any other man, under the circumstances. Do you mean I am withholding anything.

Q—I did not charge you with withholding anything.

A—That is the inference; I do not think you have any reason to charge me.

Q—Did Mr. Miller ask you to assist him in any way to secure that appointment?

A—He did not.

Q—Did he regard it as a very probable thing to come to him without assistance do you know?

A—I do not know.

Q—Did he express himself as confident of getting the appointment?

A—He did not.

Q—Was he given any assurance that he would get do you know?

A—Not to my knowledge.

COMMISSIONER—Were you in a position to assist Miller in getting the appointment?

A—No, unless Miller thought my political influence might assist him.

MR. LEWIS—Miller knew of your acquaintance with Mr. McDougall, did he not?

A—I cannot say what he knew.

Q—Did he not know that you had met Mr. McDougall?

A—You mean in 1922.

Q—Yes.

A—Yes, he knew then.

Q—Then he knew of your acquaintance with Mr. McDougall?

A—Yes.

A—Yes.

Q—Did he not make any use of that knowledge as to soliciting your support for his own advancement?

A—No, not to my knowledge.

Q—You have testified that you never discussed the matter of the elimination of those clauses with Sir Richard Squires until near the end of the year 1921?

A—That is my recollection.

Q—Where were you and Sir Richard Squires when this matter came up between you?

A—In Montreal.

Q—You had gone there at what time?

A—December 1921.

Q—Did you go there on any specific date?

A—Yes.

Q—Can you remember what date it was?

A—I think it was on December 21st, but I am not sure.

Q—You went alone or with Miller?

A—Alone.

Q—At that time I think you went for the purpose of discussing labour troubles to some extent, was it not?

A—My principal reason was to open up negotiations to get the money; the ostensible reason was labour troubles.

Q—Well up to that time you had not met or discussed the matter with Sir Richard Squires?

A—I have no recollection of having done so.

Q—So that the only person with whom you had discussed the proposition was Mr. Miller and you went to Montreal on Mr. Miller's suggestion did you not?

A—I went because he came from Sir Richard.

Q—You don't know that he came from Sir Richard?

A—He said he did. You don't think that I should go to Montreal on a mission like that on Mr. Miller's suggestion. Mr. Miller came from Sir Richard, so he told me.

Q—I do not want what he told you. Did you go to Montreal on Mr. Miller's suggestion?

A—I am not going to admit to you or to anybody else that I would go to Montreal on a mission like that on the suggestion of Mr. Miller, or of any man unless he had authority.

Q—Did you know that he had authority?

A—I thought he had. I had his assurance that Sir Richard wanted me to go.

Q—That was your authority. You have testified that there was nothing in writing to show that you had authority?

A—Sir Richard used not give writings of that kind.

MR. LEWIS—Objects to the answer as not being a proper one, and the Commissioner suggests that it would be better to say that nobody would give anything in writing in connection with such a matter.

WITNESS—I will amend my answer to that extent.

MR. LEWIS—I presume you, yourself would not give any authority in writing?

A—I do not think I will enter up on a subject of that sort.

Q—But you entered upon it at the suggestion of Mr. Miller and Miss Miller?

A—I was not the Premier.

Q—You say that you and he talked on the elimination of those two clauses, and he said that if it could be brought about, and the clauses could be eliminated, it would operate to his advancement?

A—I do not know that he made any clear cut statement of that kind.

Q—Did you not understand from his conversations that that would be one of the results?

A—In a general way, but he specified nothing.

COMMISSIONER—In a general way Mr. Miller conveyed to you that the elimination of the clauses would be to his advantage?

A—Yes.

MR. LEWIS—Now, there was no one present on the occasion of your first suggestion to Sir Richard Squires except yourself and Sir Richard?

Q—Can you tell us just what you said to Sir Richard on that subject at that time?

A—My recollection is that I met Sir Richard, he was there ahead of me, and we discussed the matter.

Q—Can you state anything that you said?

A—I said, to the best of my recollection, that I would go and see Mr. McDougall, the earliest opportunity, and tell him what the object was. We discussed the matter then, in what words I do not know.

Q—And at that time you had only the slight personal acquaintance with Mr. McDougall to which you have already testified?

A—So far as I recollect.

Q—And do you not remember any specific words used by Sir Richard at that conversation?

A—I recall something of asking him would I be in a position to tell Mr. McDougall that the elimination of the clauses would be effected. I am not saying that those are the exact words.

MR. LEWIS—If they are not I shall ask that they be stricken out of the

record, because they are not evidence.

WITNESS—I cannot recollect the exact words I used.

Q—Did you really believe that a monetary consideration would be paid by those companies or either of them for the elimination of those clauses?

A—I certainly did. I certainly hoped and had hopes that they would.

Q—Do you know whether you believed they would or not?

A—I could not say. It was a matter of negotiation.

Q—What was the basis of that hope?

A—I should say that it was the understanding that it would be to the advantage of the Companies to have those clauses stricken out.

Q—But that was not the hope you had, that it would be to the advantage of the company?

A—That was part of it. There were parties to it. If it was not to the advantage of the Company they would not agree to it.

Q—And you hoped to make them see that it would be?

A—I did not say any such thing. My hope was that they would have considered it to their advantage, and then would come across with the money that Sir Richard demanded for the elimination of the clauses.

Q—You were entirely altruistic then. You had no hope or expectation of any division of that \$100,000?

A—Perhaps I had.

Q—Did you have anything said on the subject of your having such hope or expectation of division?

A—No.

Q—Did you have any hope of any part coming to you?

A—I hoped when it was through that Sir Richard would be able to pay off the amount outstanding in the Controller's Department which he owed. That was when these negotiations went through.

Q—What negotiations?

A—The 1921 negotiations.

COMMISSIONER—While you were at Montreal?

A—At Montreal.

MR. LEWIS—You say during the negotiations at Montreal, now you had seen Sir Richard but once prior to your talk to Mr. McDougall.

A—I saw Mr. McDougall half a dozen times afterwards and saw Sir Richard five.

Q—Had Sir Richard said anything about your having a share of the money before your interview with Mr. McDougall?

A—I did not say that. I said that it was in my mind that it might be to my advantage to have a re-payment of the monies of the Department of the Controller from Sir Richard.

Q—That was what you hoped to get?

A—I did not hope for much more from Sir Richard.

Q—You did not hope for a fifty-fifty division?

A—No.

Q—You would have been entirely willing to accept it?

A—Most decidedly, why not?

Q—Did you see any impropriety in the transaction?

A—That did not enter my mind. I had seen no question of a fifty-fifty transaction at all.

Q—You saw no impropriety in an attempt to sell to the Dominion Iron and Steel Company what would amount to a very great advantage in return for money to be paid to a public officer?

A—A little while ago you objected to my giving an opinion, now you are asking me for one.

COMMISSIONER—He wants you to give an opinion on morals. I don't know whether it will influence me very much.

WITNESS—Certainly, I did not regard it as a very moral transaction. I did not regard it as a very proper proceeding on the part of the parties concerned.

MR. LEWIS—What was your view?

A—I did not think it was right.

Q—You knew it was not right, did you not?

A—That was my opinion.

Q—What did you think of the legality of any such arrangement?

A—I was not any authority on that.

Q—Did you not know it was illegal for anyone to solicit a bribe for a public official?

A—No, I did not. I did not give it any consideration. I would not know now unless I consulted a lawyer.

Q—Have you not always known that a public officer is guilty of a crime when he solicits the public interests to a company in return for money?

A—I dare say it would be regarded as such.

Q—Is this not precisely such a situation?

A—It might have been such. I gave no thought of the legality at all.

Q—Have you never heard of public officers being prosecuted in courts on criminal charges for conduct similar to this?

A—I dare say I have. It did not enter into my calculations.

Q—Have you not known of public officers being convicted for such conduct?

A—Not in this country. In the United States and Canada.

Q—You knew that at the time you were in negotiations?

A—I did not think of it at the time. Not at all.

MR. LEWIS—It appears to me to be malfeasance in office.

COMMISSIONER—I do not propose to study the criminal law in Newfoundland, as to whether it is a crime or not. It seems to me that it has given a fair answer. "I knew it was not right, and that it might be criminal, but I did not take the trouble to find out."

MR. LEWIS—Did you not know that in participating in such a transaction you were doing wrong?

A—I did not.

COMMISSIONER—Morally?

WITNESS—Yes.

COMMISSIONER—But you did not know that what you were doing might subject you to criminal proceedings?

A—I did not.

MR. LEWIS—Did it not occur to you?

A—No.

Q—You had no fear then?

A—It never occurred to me.

Q—But you had no fear?

A—I could not when I did not know.

Q—You were careful to keep the entire transaction from the public, were you not?

A—Oh, yes. These things are always kept secret.

Q—What do you mean?

A—I mean such negotiations as these.

Q—Had you ever previously been connected with such transactions?

A—Not to my recollection.

Q—Then you were a novice at this sort of thing?

A—Apparently, when I did not succeed.

Q—You had no experience which qualified you for the job?

A—I do not think so.

Q—Had you no hope of a fifty-fifty arrangement?

A—No, I had not.

Q—And no arrangement for division of any part of the amount?

A—Not any more than what I told you.

Q—And that would be entirely dependent upon the good will of some body?

A—Yes.

Q—And you were ready to assume the burden of this act which you knew to be immoral, and which you knew to be a crime, you were ready to assume the actual conduct and carrying out of that plan without any promise of any reward or financial gain to yourself?

A—Except what I told you.

Q—Except that you hoped that your services might be regarded as of some value?

A—I said nothing of that kind. I said that I hoped the amount outstanding in my department which had gone to Sir Richard's attorney would be repaid.

Q—Did you hope anything in addition to that?

A—No, sir.

Q—You were then Liquor Controller?

A—Acting Liquor Controller.

Q—You were hopeful, I suppose, of acquiring the appointment of Controller, and that you might be able to drop the word "acting."

A—That was my expectation.

Q—And was it your thought that in the event of your succeeding as a novice in the negotiations with Mr. McDougall of arranging for the payment to Sir Richard that you would be recognized, and the appointment as Liquor Controller your commission?

A—No, sir. It did not enter into my calculations at all.

Q—Did you want the appointment then?

A—Of course I did.

Q—Had you any assurance that you would be appointed?

A—The promise of Sir Richard Squires.

Q—Prior to this time?

A—From the very start.

Q—And that had no influence upon your going to Montreal?

A—No.

Q—Then you did this purely from altruistic motives?

A—To help Sir Richard, yes.

Q—Had you ever conducted similar negotiations for anybody else prior to that time?

A—I have answered you already no.

Q—You knew that Mr. Miller was better acquainted with Mr. McDougall than you were?

A—Oh, yes.

Q—Did it occur to you that Mr. Miller, in asking you to go to Montreal to carry on these negotiations had attempted to unload upon you a task that he was more competent than you to perform?

A—I did not.

Q—Might you not have appropriately said that he was trying to do so?

A—No, I did not.

Q—But you might have appropriately said so?

A—I might have.

COMMISSIONER—I do not think so. If you ask me, Mr. Meany was not the man to conduct the negotiations, but assuming negotiations were to have been conducted by Mr. Meany, a better selection than Mr. Miller for many reasons.

WITNESS—It never entered my mind.

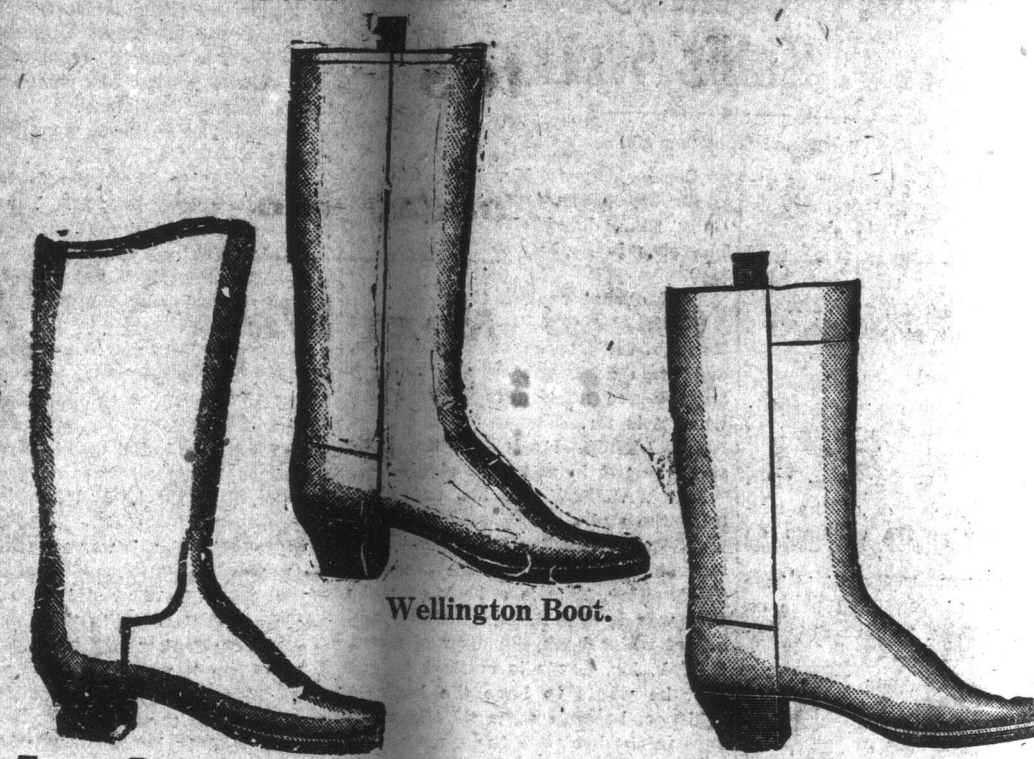
MR. LEWIS—Did it not occur to you that Mr. Miller's acquaintance would make him more likely to succeed?

A—It seems to me that I have to answer a question to you at least six

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times before you are satisfied.

Q—I want to know that you mean what you say?

A—I do.

Q—Was there any suggestion at any time by Mr. Miller that in the event of the \$100,000 being obtained from the Dominion Iron and Steel Company or the British Empire Steel Corporation, or anybody else, that you were to have any share?

A—No.

Q—No talk of that kind at all?

A—Not a solitary thing.

Q—Never at any time?

A—No.

Q—You did not succeed in the negotiations at Montreal in 1921 by your efforts?

A—I may say that I made some progress, but I did not get the \$100,000.

Q—You did not get the \$100,000?

A—Not at that time.

Q—You did not get anything?

A—No. But I made some progress. These things are not done in a day.

Q—How do you know that these things are not done in a day?

A—It may be paid over in a day, of course.

Q—In the light of your opinion that these things are not done in a day I wanted to know if you had any previous experience?

A—No.

Q—But you are satisfied now that they are not done in a day?

A—Of course.

Q—And you have not succeeded?

A—I made some progress.

Q—But you got no money?

A—No.

Q—Either in the \$100,000 case or in any other?

A—No. I got no money.

Q—And no money has ever been paid as a result of any conference you had with Mr. McDougall?

A—Not to my knowledge.

Q—I suppose you felt more or less discouraged when the negotiations failed in 1921?

A—On the

(Continued on page 11.)