

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

(Continued from page 11.)

MR. LEWIS—I object to your telling what that letter contained. Did you receive a letter?

A.—Yes.

Q.—Have you that letter?

A.—No. I can't find it. It must be at Wabana.

Q.—But I notice, Mr. Miller, that acting upon what you regarded as sufficient authority and in the belief that your action would be ratified by the company, you drew the first draft for \$5974.75 upon the company itself. Did you not?

A.—So far as I remember, yes.

Q.—And subsequently, having acted under what you regarded as your authority by this conduct, did you change your mind on the subject?

A.—I explained the matter to Mr. Glennie.

Q.—I don't care what you said to Mr. Glennie. I want to know if you changed your mind on the subject.

A.—Not any more than that I preferred using my name when waiting for confirmation of confirmation of this particular transaction.

Q.—Was that because of doubt that ratification would follow?

A.—No.

Q.—Well, did you believe at that time that it would be wiser for you to draw these drafts, or have them drawn, upon yourself, and on the face of the draft payable out of your personal account, and charged to your personal account, rather than have them drawn on the Dominion Iron and Steel Company?

A.—Well, it did not matter.

Q.—And so you think it did not matter that you had power to direct the payment of personal drafts drawn upon you out of the funds of the Dominion Iron and Steel Company?

A.—The Dominion Iron and Steel Co. was aware of it.

Q.—Then?

A.—Afterwards.

Q.—When afterwards?

A.—Some time during the fall of 1923.

Q.—You must be able to produce something or other in connection with that?

A.—Nothing more than what Mr. Glennie, who is here now can confirm.

COMMISSIONER—In the fall I reported it verbally to Mr. Glennie.

MR. LEWIS—Have you any better idea now that you had heretofore as to what time in the fall that was?

A.—No, sir.

Q.—In any event it was after the date of the last of those drafts, was it not?

COMMISSIONER—The last draft is November 27th.

MR. LEWIS—Yes, after maturity of the last draft?

A.—No, it would be prior to the last draft.

Q.—All of the drafts dated in August beginning with the 14th, had been paid prior to any communication on your part with Mr. Glennie?

A.—Mr. Glennie might have had a letter previous to that.

COMMISSIONER—Of course, he might have had anything, but can you tell us whether he did or not?

A.—I am not sure.

MR. LEWIS—Where were you when you talked to Mr. Glennie?

A.—At Wabana.

Q.—And you think that that was prior to November 27th?

A.—Yes.

Q.—And you think this morning in your testimony stated that the last draft of November 27th, payable on Nov. 28th, without grace, was paid after you had talked with Mr. Glennie?

A.—I am not sure.

Q.—Is it a fact that that draft was paid before you talked with Mr. Glennie?

A.—I do not remember from memory.

Q.—Did you tell Mr. Glennie in conversation with him the amount of the various drafts which you had paid or caused to be paid out of the funds of the company?

A.—I know the principal amount up to the time was the \$20,000.00 note.

Q.—Did you tell him or give him any idea of the total amount which had been paid out?

A.—I am not sure.

Q.—With reference to this \$20,000.00 note, this promissory note, was Mr. McDonald in St. John's on the 16th day of August?

A.—No.

Q.—Was anything said at that time by Mr. Glennie as to the sufficiency of the signature on this note "Dominion Iron and Steel Company, per McDonald, Manager and Miller, accountant?"

A.—During my visit to St. John's?

Q.—This note, I think you have testified, was made while you were in St. John's. This was the first note that you put through, the demand note?

COMMISSIONER—It has not a Government stamp or a Bank stamp on it. The first note put through was signed J. J. Miller.

WITNESS—The first note was given to Mr. Glennie. For some reason or other.

COMMISSIONER—But it went no further.

WITNESS—For some reason or other Mr. Glennie objected to my signature.

MR. LEWIS—When was this signed?

A.—Mr. Glennie, for some reason or other, wanted McDonald's signature as well as mine. It went to Wabana and came back, acceptance being refused because the Company's stamp was not on it.

COMMISSIONER—Then there was a thirty day note, and the old date was put on it. It was in fact drawn some days later.

WITNESS—They are dated the same.

COMMISSIONER—What was the matter with the first note?

A.—Sir Richard wanted a sixty day note.

Q.—That would be drawn on a later date, but the same date would be put on it?

A.—Yes.

MR. LEWIS—Where were you when that note was signed by you?

A.—At Wabana.

Q.—And where was Mr. McDonald?

A.—At Wabana.

Q.—Was "Dominion Iron and Steel Company" there when Mr. McDonald signed the note?

A.—I am not sure. I do not think so.

Q.—And did he sign the word "Manager"?

A.—Yes.

COMMISSIONER—In whose writing is it?

A.—In Mr. McDonald's.

MR. LEWIS—And it was objected to and returned for the signature McDonald, Manager and Miller, accountant.

A.—I think we added Manager and Accountant afterwards. The reason why Mr. McDonald signed the note in the first place was that it would be a personal note. Sir Richard Squires had given security in the sum of \$120,000.00 on those terms.

Q.—Was that note signed by you and Mr. McDonald at the same time?

A.—Yes.

Q.—It was signed by you at Wabana?

A.—Yes; it was signed by McDonald on the same day. It was signed by me, and then later in the day signed by McDonald.

Q.—And when it was signed by McDonald, it did not have the word "manager" on it?

A.—No.

Q.—Did you have the word "accountant"?

A.—On the last draft, yes.

COMMISSIONER—Did you have those words there originally, or did you write them when you wrote your name?

A.—It must have been then.

Q.—Well did you?

A.—Yes.

MR. LEWIS—What was your purpose in putting the word "accountant" there if you and Mr. McDonald were undertaking a personal obligation?

A.—Because the manager would not accept the signature without that.

COMMISSIONER—You told us that, first of all, you and Mr. McDonald signed personally. If you were signing personally, the word "accountant" would not be put on. Were you signing personally?

Q.—Just what do you mean by "indirectly no"?

A.—Directly I had not authority to do so, but I indirectly understood from Mr. McDonald and Mr. McInnes that I had authority to help out Sir Richard Squires.

COMMISSIONER—That was what was being put to you, that your authority was to be found in these documents and from the conversations between yourself and Mr. McDonald and Mr. McInnes and your sister.

MR. LEWIS—Now, I prefer that the responsibility for any conversations with your sister be not mine. Is that the limit of your authority?

A.—That should be good enough.

COMMISSIONER—You regarded it as enough?

A.—I took a chance on it.

MR. LEWIS—Now, You believe then, at that time, that the monies being diverted from the Treasury of the Dominion Iron and Steel Company through the financial necessities of Richard Squires, you believed that those transactions would be ratified by the company?

A.—I sure did.

Q.—That being so, why did you draw drafts upon yourself that were on the face of them in no way whatever the obligations of the Dominion Iron and Steel Company, instead of drawing them upon the company upon which you believed you could rely for ratification?

A.—Mr. Glennie would likely be able to explain that.

Q.—I do not want Mr. Glennie to explain I want you to.

A.—Because I was waiting for confirmation of this particular transaction.

Q.—Did you receive no confirmation?

A.—I received a letter of telegram

your part with Mr. Glennie?

A.—Yes.

Q.—When you were signing personally did you put "accountant" after your name?

A.—No.

Q.—Then it is pretty obvious that at the time you signed first of all there was no description at all?

A.—No, there was not.

Q.—Then Mr. Glennie sent it back to have your descriptions put on it?

A.—Yes.

Q.—Was it then that you put "Manager" and "Accountant" on it?

A.—Yes.

Q.—At this stage of the proceedings did you put the stamp of the Dominion Iron and Steel Company on it?

A.—After I signed it.

Q.—After you signed it without descriptions, or after you put them on, as far as I can remember I put the stamp on afterwards.

MR. LEWIS—Did you see Mr. McDonald write the word "manager," Mr. Miller?

A.—Yes.

COMMISSIONER—How are the cheques of the Dominion Iron and Steel Company usually made out. By whom are they signed? I suppose the bank has instructions as to what kind of signature to honour?

A.—The Bank would have a letter from Head Office to accept cheques signed J. J. Miller, and J. J. Tucker.

MR. LEWIS—Counter-signed? Must be signed by both?

A.—Yes.

Q.—Was this unusual then for a document to be signed by Mr. McDonald, Manager and your accountant?

A.—Yes.

Q.—Supposing that you had goods received and you were giving a thirty day bill, what was the practice of your company with regard to that? You had no authority to sign drafts or cheques. How were the drafts signed?

A.—The Bank would accept the signature of the Dominion Iron and Steel Company per J. J. Miller.

Q.—Then there would be no need ordinarily for Mr. McDonald?

A.—Mr. Glennie would likely be able to explain that.

COMMISSIONER—Will Mr. Glennie be down here as a witness?

MR. WARREN—No, I have been in communication with the Bank on the matter, and I am informed that Mr. Glennie is now in Toronto.

COMMISSIONER—It is becoming clear to me that Mr. Glennie might help us considerably.

MR. WARREN—Since the cross-examination of this witness I have been in communication with the bank with respect to this.

COMMISSIONER—If it is possible I think it would be well to have Mr. Glennie.

MR. LEWIS—It seems very apparent that if we are to learn the truth of this matter we must have Mr. Glennie.

COMMISSIONER—It seems apparent to me that he may give us some assistance.

MR. WARREN—No, I have been to Mr. Glennie and he has refused to come here.

MR. LEWIS—Now I think, from your answers to his honour, with regard to bills and notes that you were accustomed to issue bills and notes from the office at Wabana?

A.—For supplies only.

Q.—Were the bills for supplies usually ordered at Wabana or paid without approval from head office.

A.—We did the local purchasing ourselves.

Q.—What do you mean by the local purchasing?

A.—Or the local supplies that we required for Wabana?

Q.—For Wabana at St. John's?

A.—Yes.

Q.—You were accustomed to purchasing your materials and supplies from St. John's?

A.—Just what we were short of the materials we would get from Sydney.

Q.—Was it an ordinary every day transaction?

A.—Yes, for small supplies.

Q.—Limited in amount and value?

A.—No.

Q.—Unlimited?

A.—Yes.

Q.—You could buy \$10,000 worth without the approval of head office.

A.—General supplies, yes.

Q.—And when delivered you could issue your note or draft for payment?

A.—Yes.

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of the bill of \$10,000?

A.—We used to pay for all our goods in 30 day periods.

Q.—At the end of 30 day periods you paid for them in some manner? Will you tell us what that manner was?

A.—We gave them a voucher.

Q.—A cheque voucher?

A.—Yes.

Q.—How was a cheque voucher signed?

A.—J. J. Miller, purchasing agent. Angus McDonald as auditor and we both signed on the back of it.

Q.—First the name of J. J. Miller, purchasing agent, had you been purchasing agent recently.

A.—I always looked after the purchasing end of it, as well as the accounting.

Q.—You testified that you are now accountant and you were formally purchasing agent.

A.—I am but I continued to be purchasing agent and I signed as purchasing agent.

Q.—Who signed next?

A.—Angus McDonald as auditor.

Q.—And the both signed on the back of the voucher?

A.—Yes.

Q.—Attached to that voucher is there a cheque to be attached to so through the bank?

A.—No.

Q.—Is it negotiable?

A.—Yes.

Q.—No authority, no specific authority is required for those bills from the head office; no authority is needed for the payment of these bills for material and supplies required.

A.—Not for general supplies.

Q.—Is there no limit upon the amount of such purchases? Without the approval of the head office.

A.—In the case of machinery we had to get it from Sydney, but in the case of local supplies we could purchase it from St. John's.

Q.—Your purchasing power in St. John's was it limited by amount at all; or could you go to St. John's and buy \$10,000.00 worth or were you limited to a small figure?

A.—We never bought more than a couple of thousand dollars worth.

COMMISSIONER—You were not limited but you never bought more than one or two thousand dollars worth?

Q.—That was the highest you ever bought here?

A.—Yes.

MR. LEWIS—Up to this time, that is August 2nd, you had had no occasion to issue a thirty day draft or to consent to, or permit the payment of, a draft drawn upon the Dominion Iron and Steel Company, either sight or time, is that so?

A.—Clear of general supplies. Not for this particular time.

Q.—Had you in the course of your employment by the Dominion Iron and Steel Company, ever drawn or permitted a draft to be drawn upon the D.I. & S. Company payable to Wabana?

A.—Clear of supplies I don't remember.

Q.—But you testified that you supplies were paid for by voucher cheques.

A.—And sometimes by draft.

Q.—You had a thirty day credit and draw and your voucher was negotiable and sufficient to justify a charge against the Bank?

A.—Sometimes the materials would not arrive within the 30 days.

Q.—But your invoices would not be approved or audited until after the arrival of the materials?

A.—No.

Q.—And you don't have to send a draft for materials which are not delivered?

A.—No.

Q.—You don't have to send a draft or cheque for materials delivered and not yet audited?

A.—They might send you something to sign.

COMMISSIONER—They might send you a note or note to sign.

A.—Yes.

MR. LEWIS—Did that occur frequently?

A.—Very rarely.

Q.—You can truthfully state that the issue of drafts and promissory notes . . . Did you issue any promissory notes prior to the transactions?

A.—No.

Q.—Then you can state the the issuing of drafts was only made under exceptional circumstances?

A.—Yes.

Q.—The issue of this draft of August 3rd was ordinarily beyond the course of business and outside the usual transactions of the D.I. & S. Co.?

A.—Yes.

Q.—Has the D.I. & S. Co. at any time within your knowledge, had drafts drawn upon you and forwarded for acceptance?

A.—For material?

Q.—For anything? I don't mind what they are for.

COMMISSIONER—Do you know if a person would draw upon the company and send it to the company for acceptance?

A.—I do not remember, but if it did occur it would be very rarely.

MR. LEWIS—Had you personally, every been called upon to accept a sight or time draft on behalf of the D.I. & S. Co. prior to the 3rd of August 1920.

A.—I might have happened, yes.

Q.—Have you any recollection of this ever having happened?

COMMISSIONER—Do you remember whether it ever did happen.

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