

Saturday April 5th

office at the time. I believe Mr. Whittaker was not there. He was alone.

Q.—Did you ever hand it to the General Manager in his own office?

A.—I don't think I did. I don't recollect having done so.

Q.—Well, then, this occasion where you handed it to the General Manager when Mr. Whittaker was present, just explain that. A.—Well, if I remember rightly, on that occasion he had phoned down for a certain amount of money; either that or he had come down and told me.

Had Seen Mr. Smith in Bank.

Q.—What did he say when he phoned down, do you recollect? A.—

—What he usually said was he wanted to make an extra payment of 1 per cent. and told me the amount.

Q.—For the Province of Ontario?

A.—For the Province of Ontario. Mr. Calvert remembered three or four occasions when Mr. Smith was in the bank; on one of which he brought a party in and introduced him and wanted to get some small financial accommodation for him.

Q.—On other occasions did you see Mr. Smith in the bank? A.—At least two other occasions I have known that he was in the bank; had seen him coming in or going out of the bank.

Q.—At the time any of these payments were made? A.—Yes, sir.

J. A. Currie cross-examined on the same point as to conversations and instructions from Mason regarding the debit slips covering the various amounts.

Q.—What did he say? A.—He told me that he wanted the 1 per cent. on the account.

Q.—What for? A.—He said he had to pay it.

Q.—Had to pay it to whom? A.—He said it went back to the Province through the Provincial Treasurer.

Q.—Went back to the Province through the Provincial Treasurer? A.—Yes, sir.

Q.—Have you ever made an entry in the bank books against the Province for this? A.—No, sir.

Q.—Why didn't you? A.—My instructions were to charge it to our interest account.

Q.—Are you satisfied that money went back to the Province? A.—I cannot swear to that, sir.

Q.—What did you do for the rest of the interest account? A.—It was paid in the regular way.

Regular Way Not Followed.

Q.—What was the regular way? A.—Their account was credited with it.

Q.—This was credited to the account of the Province? A.—No, sir.

Q.—In other words, it was a latent

or hidden account? A.—It was paid in the manner I have described.

Q.—Where did Richardson's go? A.—Direct to Mr. Richardson.

Q.—Did you expect one would go one way and the other another? Didn't you think it strange he had to give legals to pay this interest? A.—Well, it was the instruction of the General Manager.

Witness said he had never expostulated about the way things were being done at the bank. "He was running the bank," he said.

After a vigorous exchange between Mr. Currie, Mr. Doherty and Chairman Finlayson as to Mr. Currie's right to ask questions on Mr. Calvert's opinions, during which Mr. Finlayson laid it down plainly that he was running the committee and would have it conducted properly, Mr. Currie asked:

"Did Mr. Mason tell you that he wanted any of this money for Mr. Smith?" A.—As I stated before, he said it was going back through the Provincial Treasurer.

Q.—And who was the Provincial Treasurer? A.—Hon. Peter Smith.

Q.—So that Mr. Mason told you this money was going back to the Provincial Treasury through Mr. Smith? A.—Yes.

Q.—Were there any circumstances which led you to believe that this money did not go to the Province?

A.—I cannot say, sir, that there were.

Q.—You know very well that there were. Tell us what you thought was wrong about the transaction. A.—I cannot answer that, sir.

Payment in Currency Suspicious.

The Chairman—Mr. Currie has asked you if there were any circumstances surrounding the transaction that appeared suspicious. A.—Well, the payment in legals might be so considered.

Q.—You thought if that money was going to the Treasury it should be passed in the regular way, did you not? A.—Well, I would sometimes, but he didn't always say it was going back to the Treasury. He said that at the start.

Q.—Did you infer it was lost on the way up from the bank to the Treasury here? A.—I don't like to make inferences under oath.

Q.—You are not making charges. You had your own idea about that?

A.—Just as he told me. It went to the Treasury.

Q.—And he never said all the time it was going to the Treasury? A.—No, sir.

Mr. McKeown referred to apparent payment on March 1, 1922, of \$4,000, re Province of Ontario interest.

Q.—On March 1, exhibit 101 establishes the payment of \$4,000 interest re Province of Ontario ac-

count, and the "paid" would indicate that on that date the General Manager had an appointment with the Hon. Peter? A.—Yes, sir.

Mr. McCrea—Now, these payments of 1 per cent. interest on the Province of Ontario deposits never went into the Province of Ontario account in the Home Bank? A.—No, sir.

Hon. Manning Doherty cross-examined both Miss Virtue and Mr. Calvert after their examinations by Mr. Price and elicited from both the statement that, so far as their personal knowledge went, they could not swear that the various commission amounts drawn by Mr. Mason even went beyond Mr. Mason's hands.

Mr. Doherty Surprises Committee.

Mr. Doherty's statement at the commencement of the session came as a surprise to committeemen generally. A few weeks ago, he said, he had had a motion prepared for the appearance of the former Provincial Treasurer.

"It became immediately evident to me," he said, "that other matters were going to come under investigation, and I felt that it was only proper and right that the late Provincial Treasurer should appear before the committee after all of the investigations which were to be investigated had been completed, so that he might fairly be given an opportunity to reply and answer any accusations that had been made."

"I withdrew my motion, which had not been put to the committee, with the intention of calling the late Provincial Treasurer later, when the investigation had proceeded to the point where we felt that the matters which were likely to be investigated had been investigated."

"In the meantime the matters under investigation and the evidence adduced indicate that the charges are very much more serious than I had any expectation of, and, from what has been said by the Prime Minister and has been indicated from

other sources, the matter has progressed to the point now where it is indicated that criminal action is inevitable and is desirable and will be started. The matter will be proceeded with in the courts.

"In view of that I feel that the investigation before the courts will be thorough. It will be impartial. The ends of justice will be served. And in view of that I just wanted to tell the committee that I have thought it only right to announce to the committee that, in view of these criminal proceedings in the courts, it is not my intention to subpoena the late Provincial Treasurer."