

Tuesday, April 8th

DOHERTY DISCLOSES REBATES WERE MADE IN HEARST REGIME

**\$42,000 Chequed Out by
Home Bank's General Man-
ager in September, 1919**

PAYMENT IN "LEGAL'S"

Hon. Manning Doherty called attention at Public Accounts Committee last night to a \$40,000-odd repayment on an Ontario loan transaction in September of 1919, which would be under the Hearst Government and during the regime of Hon. T. W. McGarry as Provincial Treasurer. He stated rather vehemently that here, at any rate, was a payment that Hon. Peter Smith did not get. The subject is one previously dealt with by Auditor G. T. Clarkson when giving evidence last week.

In Previous Government's Time.

Mr. Doherty called the committee's attention to payments previously referred to by Auditor Clarkson, obviously made in the Hearst Government's time. In September of 1919, he said, there was \$40,000-odd paid.

Mr. Price—That would be in suspense account.

Mr. Doherty—It was stated that there was \$42,000 paid in September by way of a rebate on Province of Ontario bonds. It was charged to suspense.

Mr. Ross—It was merely a transfer of entries from one department of the bank to the other. That would not necessarily be a rebate on the bonds.

Mr. Doherty—There was \$40,000 paid in September, two months before this Government came in. Now that cheque did not go to Peter Smith, at any rate.

Mr. Price—That was not rebate at all.

Checked Out in Legals.

Mr. Doherty—He said it was an understanding that was had with the bank—that anything they had over one-quarter of 1 per cent. That \$42,000, he stated, went to the General Manager of the Home Bank, and the General Manager then chequed it out in legals. That was away back in September. Now, coming along there is a cheque for \$15,000. On the stub is put the name of Mr. Smith. You are not prepared to swear, or are you, that the cheque that was issued was made out exactly the same as this stub?

Mr. Ross—I cannot say that, because I didn't make out this cheque.

Q.—You are not prepared to swear that a \$15,000 cheque ever went through for Mr. Smith? A.—No.