

Thursday, April 10th

TELLER SAYS PETER PLACED \$1,000 BILL IN STRATFORD BANK

**This Happened About the
Same Time That Pepall
Got Twelve \$1,000 Bills
as Commission on Gov-
ernment Bond Deal —
Teller Remembers It
Because It Was First
\$1,000 Bill He Ever Saw**

SMITH AND McGARRY SUMMONED TO PROBE

Called primarily to give evidence regarding a \$12,500 cheque which went through Aemilius Jarvis & Co., dated March 3, 1920, Edwin Harlan MacMillan, Bank of Toronto teller in Stratford in December, 1919, startled the Public Accounts Committee yesterday by testifying that he recollected former Provincial Treasurer Smith making a deposit containing at least one thousand-dollar bill at the end of 1919 or early in 1920.

He remembered Mr. Smith coming into the bank and walking into the Manager's office, after which the Manager handed him (MacMillan) the deposit slip and the deposit containing the bill, or bills, to deposit to the credit of the former Provincial Treasurer. Inasmuch as he had never seen a thousand-dollar bill before, Mr. MacMillan was very positive before the committee that a bill of such denomination had gone through his hands.

Will Summon Smith and McGarry.

The committee took another important step yesterday when it accepted the motion of W. E. N. Sinclair, K.C., seconded by Harold Fisher, K.C., Liberal member for Ottawa, to summon before the committee next Friday, or at a convenient sitting, Hon. Peter Smith, Hon. T. W. McGarry, former Deputy Provincial Treasurer C. A. Matthews, and L. C. Mason, husband of Matthews's step-daughter and former assistant in the bond department of the Home Bank, who is alleged to have participated with the suspended Deputy Treasurer in a four-way split of \$11,000 profits on an Ontario bond transaction.

At the adjournment hour the committee, upon the suggestion of Chairman Finlayson, moved to have summoned G. L. McHattie, Bank of Toronto Branch Manager in Stratford at the time Mr. Smith is alleged to have deposited a one-thousand-dollar bill. The committee also ordered production of the deposit slip of that date, and any other documents relating to the occasion.

A Cheque for \$12,500.

At the commencement of yesterday's sitting, A. V. Young, book-keeper for Aemilius Jarvis & Co., testified regarding a \$12,500 cheque which was produced, dated March 3, 1920, drawn to his order, and which he had cashed in legals—twelve thousand-dollar bills and one five-hundred-dollar bill—and handed to Harold Pepall in the company's office. The cheque was drawn on instruction of Mr. Pepall and he handed the money to Pepall when he had cashed it. Young had no idea of the disposition of the money.

Out of curiosity at the size of the cheque and the fact that it had been made out to himself, Young testified that he had abstracted the cheque as a souvenir after it had been returned to the company. He had handed it over to Assistant Police Commissioner Alfred Cuddy on Tuesday. Mr. Cuddy called and asked him for it.

Mr. MacMillan told Provincial Treasurer Price that he was general

teller in the Stratford branch of the Bank of Toronto, and in that capacity received all deposits and cashed all cheques.

Mr. Price—And was that your position in December, 1919? A.—To the best of my knowledge it was.

Q.—Well, at that time did you receive large deposits in the account of Hon. Peter Smith? A.—Would you specify what is large?

Q.—Well, thousand-dollar bills or five-hundred-dollar bills—did you receive these? A.—To the best of my knowledge I did.

Q.—Now what month was that in? You have said, "I think it was in December," but I want to make positive on that? A.—I cannot swear to the date. It could be found from the files of the bank. It was a period of four years ago, and it is impossible to recollect the date.

Q.—Impossible to remember the exact date? A.—Yes, sir.

Q.—And in that connection—we have heard quite a lot of these thousand-dollar bills and five-hundred-dollar bills, and we are anxious to know exactly where they went. Now, can you recollect a payment in December when you were teller at the Stratford branch of a certain number of thousand-dollar bills, five-hundred-dollar bills, as brought in by Mr. Smith? A.—I cannot swear as to the date, but I have received deposits from Mr. Smith of large legals.

Q.—Would they be 1, 2, 3, 4, 5, 6? How many legals would there be? A.—I cannot state the amount. To the best of my recollection there was at least one or more thousand-dollar bills.

A.—Can you recollect five-hundred-dollar bills? A.—There may possibly have been.

Manager Made Out Deposit.

Q.—Who was the Manager of the Bank of Toronto there? A.—G. L. McHattie.

Q.—Was he there during all your period as teller? A.—Unless he was on vacation.

Q.—Did he know of these deposits? A.—Yes, sir, he did.

Q.—Did he speak to you about them? A.—Conversation regarding the deposits?

Q.—Well, conversation regarding these legals that you speak of that were deposited by Mr. Smith in the bank? A.—I believe the deposit was made out by the Manager of the bank, and in turn handed to me as teller.

Q.—Can you recollect that? I suppose you had not seen thousand-dollar bills before that, had you? A.—No, sir.

First in Captivity.

Q.—And you don't get many in Stratford? A.—It is the first one I have received in the cage.

Q.—You had been there how long as teller? A.—About a year's time.

Q.—And you had not seen any thousand-dollar bills? A.—No, sir.

Q.—And that impressed it on your mind pretty well when you saw a thousand-dollar bill coming? A.—It did, sir.

Q.—Some of these deposits were made out by the Manager. Was Mr. Smith present at that time? A.—When the deposit was handed to me?

Q.—When the deposit was handed to you? A.—I believe he had just gone out of the bank.

Q.—And did you see him come in the bank? A.—Yes, sir.

Q.—Did you see him go into the Manager's office? A.—I did.

Q.—And the Manager then handed you the deposit? A.—Yes, sir.

Q.—Now, would there be a deposit slip there? You would be handling the deposit slip? A.—Yes, sir, I would.

Q.—For the amount of the deposit made? And it would show to whose credit? These were placed in your books? A.—Yes, sir.