

bond department, that there was an arrangement that everything in excess of 1 1/4 per cent. profit was to go back? A.—There was no arrangement with me of any kind. I never made an arrangement that is not on file.

Q.—So far as you know—and you would know—no such arrangement was made? A.—No such arrangement at all.

Q.—Never was mentioned? A.—None at all.

Q.—We notice that there was \$42,400 which was the first entry in the books by way of a charge up against the profits of this loan. I may say the loan was sold to a syndicate of Ames, Dominion Securities and Wood-Gundy, I think, for 96.85. A.—Well, what do you want to ask me about it? I would prefer you would not put too much of a speech. What I want to say is, I know nothing at all of any such arrangement. My arrangement is in writing.

Q.—But these are the figures at which they sold, and the book entry shows that the excess profit over 1 1/4 per cent. was transferred into a special account. A.—Well, what I say is, there was no such arrangement with me of any kind. I cannot make it too positive.

Mr. Price—You said that the \$42,000 was the first entry. It was not the first entry.

Mr. Doherty—In the books here—

Mr. McGarry—I don't want to be cross-examined about what took place in the Home Bank. I have told you I favored the Home Bank, and my reasons, and I am telling you now, every arrangement with the Home Bank is in writing and on the file, and I have no knowledge of any 1 1/4 per cent. or any other per cent.

Suspects Propaganda.

Mr. Doherty—You go into the journals of the bank; the first entry that was made transferring the money out of the profits, out of the bond department into the special account of Mason's, was this \$42,000. A.—Why do you ask me when I deny I know anything about it? I hope this is not for propaganda purposes.

Q.—No. A.—I know you wouldn't do that.

Q.—The first of these was \$42,000? A.—So you say, but I am going to tell you that \$42,000 doesn't amount to very much to me, because I have been handling millions since I left the Government, and in business where I commanded a salary very much above even what you are getting.

Q.—We don't all get our just deserts. A.—Now, look; I know you want to be fair. Don't place on the record a lot of speeches about \$42,000. I have denied, and I deny again, that I know anything about anything of that kind.

Q.—This one entry of \$42,000, transferred over to a suspense account by Mason and then paid out by Mason in checks? A.—That is what the books show.

Q.—Yes, and then in December there is a cheque cashed, charged up to the same account as repaid to the Province? A.—And this is where the innuendo comes in.

Mr. Price Interrupts.

Mr. Price again interrupted to say that Mr. Doherty was not wholly correct in the basis for his questioning, and commented that there was no use confusing the witness. Mr. McGarry, however, said he would like Mr. Doherty to ask it. No wonder, said the former Treasurer, amid laughter, the committee was taking weeks if things proceeded as they were at the moment.

Mr. Doherty proceeded with several more questions, climaxing with:

Q.—The \$42,000 went through. They (the \$42,000 and the \$15,000 cheque to Provincial Treasurer Smith) are both charged up to the same thing—to repay the Province. Would you think there is any reason why one of these should go to one party and another to another party? A.—Mr. Doherty, I don't know a thing about it. . . . I was in the Home Bank only once all the time I was Treasurer, and that was in 1917. I never had occasion to go there. I was Provincial Treasurer. I made the Home Bank come to me.

Harry Pepall Examined.

The other witness of the day was Harry Pepall, Manager of Aemilius Jarvis & Co., with which firm the Province had immense financial business during Hon. Mr. Smith's regime, both in bond flotations and in inscribed stock purchases in England. He retold about the arrangement whereby his brother, Andrew, was to get one-quarter of 1 per cent. on business secured from the Government.

He said he had handled all the money for the cheques to his

brother, the amounts being \$7,500 for the Dec. 1 \$3,000,000 loan, \$6,898 for the \$3,500,000 loan of Jan. 1, and \$12,500 for the March loan of \$5,000,000. He stated that the object in making the \$12,500 payment to his brother in legals was to conceal the transaction from the office staff.

In connection with the purchase in England of \$6,000,000 of inscribed stock, he said Mr. Jarvis had personally dealt with the Cabinet on the transaction, and he had nothing to do with it. Although he did not know the amount of the profit, he had on one occasion asked Mr. Jarvis, and, although Mr. Jarvis

had not told him the amount of the profit, he had stated that it was a great deal less than had been rumored through the press.

Effect of Intimacy.

Mr. Pepall admitted that the effect of his firm's intimacy with the then Provincial Treasurer was to make it useless for other firms to bid on Ontario loan flotations, inasmuch as the Jarvis firm had the last bid, and if they offered more than the other firms had tendered they had the opportunity of walking off with the business. It had not cost the Province anything, however, he said; in fact, it had had the effect, in instances, of getting it a better price. But he had never favored such a method, and had told the Treasurer that if it were continued the other firms would simply cease to bid, which would place the Province in a difficult position.

Matthews Is Available.

Before the committee adjourned until Monday Provincial Treasurer Price gave some assurance that Assistant Treasurer C. A. Matthews was at the disposal of the committee, although he would not be explicit with Z. Mageau, who asked him where he was and when he

would appear. He said the committee might sit through succeeding days next week if the House rose, and finish up the business.

STANDING OF JUDGES AS AFFECTED BY ACT IS FULLY DISCUSSED

Mr. Raney's Amendment Is Defeated and Bill Is Reported

SCHOOL GRANTS DEBATED

Without discussion the motions for orders for returns of various documents were adopted yesterday by the Legislature. One is for return of documents and correspondence, including court judgments, respecting the Great Lakes Paper Company and the J. J. Carrick agreement with the Government in 1918.

Correspondence on Plebiscite.

Another motion was for a return of all correspondence between the Government or any member thereof, and any person or organization

favoring the submission to the electors of a plebiscite or referendum on the Ontario Temperance Act or the liquor question, and all resolutions or petitions received by the Government or any member thereof favoring such a submission, and all correspondence between the Government or any member thereof and any person or organization opposing such a submission.

Information on Bonds.

Further returns sought are for all contracts between the Treasury Department and the Provincial Securities Company (the Browning & Harris Company of Hamilton) for the purchase of outstanding bonds of the Province of Ontario. Another return asked is to show in detail by counties the estates from which succession duties came in the fiscal year ending Oct. 31, 1923.

Second reading was given to the amendment to the Legislative Assembly Act giving extra sessional indemnity to a Leader of ten members or more.

"Is this a cushion intended for a soft spot for the Government?" asked Mr. Raney. The Premier said it was an evidence of generosity. Mr. Raney said he did not know but that the Government was preparing for eventualities four years hence. Mr. Ferguson replied that he might be obtuse, but he could not see any indication of any such happening. The bill later was put through committee stage.

Every private bill that was printed was advanced, so that it now is ready for third reading. Most of the private bills now stand ready for third reading.

Judicature Act Considered.

Consideration was given in committee to the proposed amendment to the Judicature Act. Mr. Raney thought one of the effects of the bill would be to discourage conference among Judges of the Appeal Court, and would tend to have each bring in a separate judgment. Both the Attorney-General and the Premier, however, thought the effect would be to encourage conferences still more.

Rank and Precedence.

When discussion began upon the clause bearing on rank and precedence of the Judges, Mr. Raney moved an amendment to the effect that Chief Justice Latchford should continue to have the same rank and title given to him by the act of 1923. In reply the Attorney-General said that he was one of those who believed that where Macnab sits is the head of the table. Not being carried away by love of titles or precedence, he suggested that Mr. Raney would understand why he could not accept his amendment.

"Why dabble with rank and precedence at all?" asked Mr. Raney.

The Attorney-General replied that the Judges mentioned in the bill held official office by virtue of their position. What Mr. Raney wanted to do, he said, was to create a title where there was no court.

Mr. Raney said he wanted the

Government to do what had been done in 1909, and refrain from interfering with the status and title of Judges whose courts are legislated out of existence. Mr. Raney's amendment was lost and the bill reported.

School Grants Discussed.

Mr. Raney took exception to the clause in the School Laws Act which, he thought, gave too much power to the Minister in apportionment of grants. He cited a supposed case where a separate school wished to press a claim under this section. Every separate school is in the riding of some member, he said. They would appeal to the local member. Suppose the local member was an Orangeman, asked Mr. Raney. He naturally, probably, would take the matter to his lodge, and the Orange Lodge "will discuss what moneys will be paid to a separate school."

"I have been a member of such a body for 30 years and I never heard such a subject discussed," said the Premier.

Not Making Imputations.

Mr. Raney said he was not making any imputations at all. What he intended to say, he explained, was that the member would discuss it with his fellow lodge members. That