

Wednesday, April 16th

Clarkson and the Provincial Police would give every assistance possible if any suggestion was made by any member of the committee. Mr. Nash said he could not trace these bills. The only way would be by numbers, said Mr. Price.

"Inquiry among the bankers and the brokers might bring something," said Mr. Fisher.

Here's the Mystery.

"The clearing between banks daily is usually made in legals," said Mr. Nash. "Now on the day that this \$25,000 cheque was paid there was a movement of legals in the Home Bank corresponding to \$25,000. When I say a movement of legals I mean to say there were \$25,000 legals went out of the Home Bank in excess of the amount that went to the Clearing House. Now, that is all we know. I understand neither the Clearing House nor any of the banks keep a record of the numbers of the legals. That is my understanding."

Clarke Would Find Out.

Mr. Fisher asked if any inquiry had been made at the Central Canada Loan and Savings Company respecting one of the cheques in which this company is named. "I have not made any inquiries," said Mr. Nash. "That would be a matter for the liquidator."

Mr. Fisher asked if the department had made any inquiries. Mr. Price said that the cheque in question went into the personal account of Mason in the Central Canada Loan and Savings Company.

"Suppose it did," said Mr. Clarke. "That money belongs to the Province. I think we should subpoena those people and find out what the money was paid for. I think we should find out."

Mr. Price agreed, but said they did not want to overlook the fact that one cheque was due to the Province and they could not find that it ever came to the Province. The other went into the General

Manager's account at the head office. "Colonel Mason drew that out in cash and we have the cheques here." He said he proposed to have the Central Canada Manager before the committee.

"I am quite confident the liquidator has gone into Colonel Mason's personal account in the Central Canada Loan and Savings Company," said Mr. Nash. "I will confirm that."

Mostly in Five Hundreds.

Chairman Finlayson read out the particulars of the cheques issued from the \$42,400, all being payable to cash, except the Central Canada Loan and Savings Company cheque. Picking up the \$25,000 cheque for September 23, he said, "On the back are specifications. Endorsed on the back are seven by \$500, and then some thirteen by \$500 and one by \$1,000." He said some items had been crossed out and then there was thirteen by \$500 and one by \$500. "That is, apparently, the specifications of the bills," he said.

Eventually it was decided that Mr. Nash should make a report today as to the Central Canada Loan and Savings Company cheque, and any other matters relating to this phase of the inquiry.

Correspondence Respecting Loan.

Mr. Price then examined Mr. Nash on the correspondence produced relative to the Home Bank loan purchase in 1919. He read extracts to show that in November the bank was willing to sell this loan in Chicago for 92. Mr. Price observed that the loan had been bought at 94. The Nov. 20 payment by the bank to the Province, Mr. Price said, was made by money borrowed in New York. The bank had not then sold the bonds, he said.

The committee rescinded its resolution instructing Mr. Nash to examine the bank account of Hon. Peter Smith in the Bank of Nova Scotia in Stratford on the ground that Crown officers now would conduct such searches.

W. N. Douglas, Chief Clerk of the Treasury Department, produced a computation based on the difference of one-half of one per cent. between a loan or bond sold subject to succession duty and one sold exempt from succession duty, the lower interest rate prevailing in the latter case. The amount saved on interest would be \$1,567,670, he said, computed from the time the loan was issued up to 1923. The Thomas Bradshaw letter of April 18, 1921, was also produced.