

Thursday, April 17th

I had to have that money

Q.—Is that the only reason you had? A.—Well, we had to put the loan through before the Dominion Government got under way with their big loan.

Q.—And how long was it before you got the money? A.—I don't know; it was not paid while I was there.

When Mr. Smith came in, Mr. McGarry said, he told him if he thought he could get the money any cheaper he could cancel it by Order-in-Council and indemnify the bank. When the officials of the Treasury Department pointed out to him 10 days after the money was due that it had not been paid, he immediately wrote the bank about it.

Q.—Did you do anything else to get the money? A.—No; my recollection is that I was not in my office after Nov. 10.

Q.—Then the only two parties that had done anything in connection with this loan were Col. Mason and yourself? A.—And, perhaps, Mr. Flemming of the Home Bank bond department might have come up.

No Commission Arranged For.

Q.—Was there any arrangement made for any commission or anything for anybody on this transaction? A.—None whatever of any kind.

Q.—If a commission were payable, who would be entitled to the commission? A.—I have already told you nobody was entitled to any commission on that loan; it was a straight offer and a straight acceptance.

Q.—The only parties, at any rate, were Mason and yourself? A.—I would just as soon you didn't make that imputation. It was a straight offer and acceptance; nobody was entitled to a commission.

Q.—And nobody had anything to do with it except Mason and yourself? A.—Outside of the clerical work—that is, outside the Home Bank, I don't know anything about the Home Bank.

No Knowledge of Legals.

Q.—In connection with this loan there has been a good deal of evidence given here that there were some commissions paid in connection with this loan, and on Sept. 23, the day after the offer and acceptance passed, \$25,000 was drawn out by Col. Mason from the Home Bank, and that the cheque was cashed in legals. Have you any knowledge whatever as to where that went? A.—None whatever.

Q.—And when did you first hear that there had been such a transaction? A.—When Mr. Clarkson gave evidence the night I gave it.

Q.—At that time you had no knowledge of any arrangement for commission of any kind. A.—None whatever.

The night I was asked to give evidence I was told Mr. Clarkson was going to make a statement in regard to something that had occurred when I was Treasurer, and I went there to listen and give evidence.

The Mysterious \$25,000.

Q.—Did you hear him give evidence? A.—I heard him say an item of \$25,000 had appeared on the books of the Home Bank.

Q.—And you have heard the evidence, or seen it, of other items of commission in regard to this loan? A.—Yes.

Q.—That amounted to \$42,400? A.—Yes; I heard that, or read it.

Q.—Have you taken any steps since you heard that to find out what this transaction meant? A.—I have taken every step I could and I am most anxious that everybody who can possibly tell anything about that should be here and tell it.

Q.—What steps have you taken? A.—Well, what steps would you think, except to give evidence?

Q.—All you have done is to come and give evidence? A.—Yes.

Q.—You haven't made any inquiries from anybody as to this item of \$42,400? A.—No. Who would you suggest?

Q.—I am asking you a question? A.—I am asking you a question; I would like to have the benefit of your ability. I say I have done everything I can.

Didn't See Globe Editor.

Mr. Currie—Did you ask the Editor of The Globe?

Mr. Sinclair—Have you seen Mr. Matthews? A.—I have not—since. I went in to call on Col. Price and I met Matthews in the outside office, shook hands with him, had a few words with him, and have never seen him nor heard from him since.

Q.—You haven't seen anybody who was in your office at that time to ascertain whether he had any knowledge? A.—Nobody. It was not necessary for me to ask anybody.

Q.—You haven't seen any of the officials of the Home Bank? A.—Not one.

Q.—And doesn't the fact that this money was paid make you think that you should make some inquiries? A.—No, not at all. Why should I? I had nothing to do with it.

Q.—And you cannot explain why the \$25,000 was taken out of the Home Bank by Col. Mason on the day this loan was made? A.—Absolutely not.

Q.—And there was no contri-

bution by Mason to any campaign funds? A.—No; they never let me handle them. (Laughter.)

Q.—When this loan was talked over between you and Mason was there any arrangement as to profits that would be made by the bank? A.—None whatever.

Q.—There is evidence that one or one and a quarter per cent. was to be the profit and anything over that was to be refunded to the Province? A.—There is nothing to it—nothing whatever. I got an offer and I accepted it.

Never Dreamed of Difficulties.

Neither did Mr. McGarry know anything of the \$15,000 cheque that was marked "refund" in connection with the loan, and he said he had never dreamed of the Home Bank being in difficulties until 1923. Asked by Mr. Sinclair if he knew of anybody who could give the committee information about it, Mr. McGarry said: "Well, I would like very much, since there has been so much talk about it, if you would call Mr. Matthews."

Mr. Currie brought out that the delay of the Home Bank in taking up the loan had not cost the Province anything, interest being allowed on the coupons.

Articles in The Globe.

Mr. Currie—You have seen some articles in The Globe? A.—Yes, sir.

Q.—They still persist in publishing articles that you know more about this transaction than you want to disclose. You have disclosed everything? A.—Absolutely.

Q.—You saw no tollgate, as was stated? A.—Absolutely, I am not hiding anything, and, of course, a man cannot defend himself except here in the witness-box. I hope I have covered the whole ground and left nothing unsettled. If I have I will come back.

Mr. McGarry left the Parliament Buildings immediately after giving his evidence.

Clarkson Springs Sensation.

G. T. Clarkson, Home Bank liquidator, was recalled, and was asked by Mr. Price if he had been working for the Province since his last appearance to get all the information that might be secured. Mr. Clarkson said he had in every possible way.

Mr. Price—Is there anything else that you could give to the committee that would throw light on these transactions?

A.—There is one thing just occurred and it occurred on Friday afternoon. An officer of the bank, a late officer in the bank, told me that he had some sort of a recollection that Mr. Mason had told him that this \$25,000 had been paid over in money to Mr. Haney, and that Mr. Haney had taken that money up to the Parliament Buildings.

Q.—Who was that from? A.—Mr. Whittaker (former supervisor).

Q.—Have you taken steps to see Mr. Haney or make certain investigation on this statement? A.—I have seen Mr. Haney. My reason for seeing Mr. Haney, too, is in connection with other important matters. Mr. Haney has been a sick man for two months, so much so that in connection with certain transactions his medical advisers have communicated with us from time to time to say he was unable to do business. I thought this of sufficient importance to take it up with Mr. Haney. I had some difficulty in seeing him because of his state of health, and he finally agreed this morning to see me. I saw him and he told me he did not receive any \$25,000 or \$12,000 or any money whatsoever from Mr. Mason, and further he had taken no money up to the Parliament Buildings.

Haney a Sick Man.

Q.—Well, that is very important evidence, and it is very desirable of course to have Mr. Haney before the committee. Can you say anything? A.—I think you got a certificate that Mr. Haney could not appear. I think it is true because I am convinced Mr. Haney is very far from a well man, so much so that I suspended, as liquidator, dealing with certain matters of importance, believing he was not in a condition of health to take them up.

Q.—You had not been able to see Mr. Haney for the past couple of months? A.—We have been pressing quite insistently on these matters—I do not want to mention them, and I do not think I should; they are of no concern to the committee. I am pressing on them, and from time to time have received advice from his medical advisers that he was not fit to take them up, and I believe that advice was right.

A Positive Denial.

Q.—Then was there any doubt in your mind as to Mr. Haney's statement concerning the questions you asked him? A.—Well, I can only say he made the statement.

Q.—Was it a positive statement? A.—Absolutely a positive statement. Mr. Price—Did you have any further talk with Mr. Whittaker since that time—since you saw Mr. Haney? A.—No.

Mr. Price—The information which Mr. Whittaker, or the statement that Mr. Whittaker made to you did not come before me when I produced him as a witness here. A.—No, sir. I had spoken to Mr. Whittaker about these matters several times, and it was, as I say, the first intimation I had on the subject, and was a matter of importance to the bank, because if this \$100,000 is out of the assets of the bank I intend to recover it and find out who got it.

Mr. Clarkson's Duty.

Mr. Price—As liquidator, your duty is to follow up all avenues to get money that really belongs to the Home Bank? A.—That is my duty.

Q.—And this item of \$42,400 appears to belong to the Home Bank, and you are anxious to collect on it? A.—It is my duty to collect on it.

Q.—Do you make any claim on the \$15,000? A.—That is a matter where I will take advice of counsel.

If there was no arrangement with the Province for a refund of \$15,000, yes, that is the bank's money.

Q.—Is there any other matter that you would like to mention? A.—I don't know that I have anything more to say than what I said the other day. I can only say this to you, that the matter has been before us continuously, and I have made an examination since then of certain accounts in the bank, feeling there might be something in them. There was nothing. I don't want to mention these accounts.

Mason's Papers Found.

Q.—Since you were here I believe you did find a box of papers. I don't know whether this concerns us or not? A.—Mr. Whittaker told me there was a box of some of Mr. Mason's papers, and I had the box brought down to my safe, and it is there now waiting to be opened when an administrator of the Mason estate is appointed. I didn't feel I wanted to