

being a deposit of \$2,000,000, the deposit was \$2,608,330. One surely has the right to test the memory, at least, of a witness, and that is what I am doing.

The CHAIRMAN: No doubt his answer was substantially correct.

Sir HENRY DRAYTON: It may be substantially correct. The Chairman may think that a matter of \$608,330 is a matter of no moment—

The CHAIRMAN: Not at all.

Sir HENRY DRAYTON: —we can discuss that later on.

The CHAIRMAN: That was not my intention, to give that impression. However, go ahead with your questions.

Sir HENRY DRAYTON: I cannot see anything else to be read into the Chairman's interjection.

The WITNESS: As I understand, this hinges upon a statement made by Mr. Graham in the House—

Sir HENRY DRAYTON: And I asked you if it was correct, and you said yes.

The WITNESS: I think it is. I am speaking only from memory now. My recollection is that any information which we gave Mr. Graham, or which he had, was at that time correct, insofar as our knowledge went. In other words, your position is that Mr. Graham made this statement that \$2,000,000 had been deposited in the Bank of Toronto, when, as a matter of fact, it was \$2,600,000. Is that it?

By Sir Henry Drayton:

Q. It is perfectly clear that the House was misled to the extent of that amount. I am not saying who was responsible for it?—A. I do not know. I cannot answer that. I do not know what went on in the House.

Q. I asked you if the statement was correct?

The CHAIRMAN: The fact is admitted that it was \$2,600,000. That should be sufficient.

Sir HENRY DRAYTON: We could have more information. The fact is there. There is his answer.

The WITNESS: There could be no intention on the part of Mr. Graham or myself to deceive the House.

Sir HENRY DRAYTON: I have taken the position from the commencement that Mr. Graham did not knowingly or willingly deceive the House. I have been perfectly frank in all these matters.

Mr. MACKINNON: What is the date of that citation from Hansard?

Sir HENRY DRAYTON: June 7th, and this letter is May 25th.

By Sir Henry Drayton:

Q. When was it that the basis of the contract with the syndicate was arranged?—A. That was arranged in this way: Prior to the closing of the option I was anxious to find out whether it would be possible to finance the acquisition of the property through an outside syndicate and I took that up with a friend of mine in New York to see whether such an arrangement would probably be made, and he assured me that he thought there would be no difficulty in connection with it. The details as to who was to furnish the money, and how it was to be arranged was subsequently determined.

Q. When was that determined?—A. That was determined—(To Major Bell)—shortly after you went to France, was it not, Major, that you entered into negotiations with the Prudential?

Major BELL: The New York syndicate was in April, 1923, and when I went to France I met two of them there, and then dealt with the Prudential.

[Sir Henry Thornton.]