

Home Bank Report

Over \$5,000,000 Deficit; Depositors May Get 73 Cents

GOVERNMENT ORDERS THE ARREST OF FOUR OFFICIALS OF HOME BANK FOLLOWING REPORT OF CURATOR

Home Bank Directors Loaned \$3,794,915 Without Adequate Security.

GIVES ADVANCES
A. B. Barker, Curator, Reports Total Deficit Will Exceed \$5,000,000.

Canadian Press Despatch.
Toronto, Oct. 3.—The anxiously awaited report of A. B. Barker, the curator appointed to report on the condition of the Home Bank, which suspended payment on August 17 last, was made public today.

The curator submits a preliminary statement of assets and liabilities as of the date of suspension, which shows total liabilities of \$18,486,978, of which \$2,955,426 are preferred claims, and \$15,531,552 to depositors and other creditors. The assets total \$13,848,400 and are divided into three classifications, viz., quick assets, other assets and bank premises. Quick assets total \$5,643,051; other assets or "special assets," the value of which is substantial but the definite worth of which cannot be determined except upon realization and to a large extent over an extended period of time, aggregate \$9,223,997; while bank premises, real estate, etc., aggregate approximately \$1,000,000.

The deficiency between assets and liabilities amounts to \$4,638,578, but to this must be added the paid-up capital of \$1,960,582, the general reserve fund of \$550,000 and the contingent fund, profit and loss balances and other reserves amounting to \$110,296, leaving the ascertained losses and depreciations to be accounted for to the total amount of \$5,259,376.

Curator Non-Committal.
In an interview after the statement had been handed out, Mr. Barker, the curator, would not hazard an opinion as to what dividend would eventually be paid to depositors. He would only say that the shareholders would be called upon for payment of their double liability. These were matters for disposition to the liquidator. The curator, however, could say whether the shareholders would be called upon for payment of their double liability. These were matters for disposition to the liquidator.

Mr. Barker declared that he found that the books of the bank were in a state of confusion, and that the assets were not properly accounted for. He found that the bank had been operating on a basis of "run-around" business, and that the assets were not properly accounted for. He found that the bank had been operating on a basis of "run-around" business, and that the assets were not properly accounted for.

Must Await Realization.
Included in their book value in the statement of assets and liabilities are certain assets which have a substantial value, but the definite worth of which can be determined only when they are realized. The curator, however, could say whether the shareholders would be called upon for payment of their double liability. These were matters for disposition to the liquidator.

Finds No Connection.
Mr. Barker was asked about the connection between the Home Bank and the British Dominion Holding and Investment Company, Ltd., of Montreal, which was reported to have owned ships in the run-around business. He found that there was no connection between the two companies.

Advances Paid \$1,700,000.
Mr. Barker said that the Home Bank had advanced \$1,700,000 to various companies, including the Canadian National Bank, the Canadian Pacific Railway, and the Canadian Government. He found that these advances were not properly accounted for.

GOUGH TO RESIGN.
Ottawa, Oct. 3.—It is unofficially stated here that the resignation of H. R. Gough, vice-president of the Home Bank, is expected from the board of directors of the Canadian National Bank.

HOLD ST. CATHARINES MAN NOT TO BLAME FOR DEATH
Canadian Press Despatch.
St. Catharines, Oct. 3.—A coroner's jury last night found that the death of Alex. Metcalfe of Thorold, who died from injuries received when he was run over by a car driven by Walter Carson, this city, on September 24, was accidental, and that the driver was not in any way to blame.



H. J. DALY, president of the defunct Home Bank, a warrant for whose arrest has been issued at the order of Hon. W. S. Fielding.

At A Glance

Toronto, Oct. 3.—Issuance of warrants for the arrest of President H. J. Daly and other directors of the Home Bank of Canada, which suspended on Aug. 17; statements by the curator that the payment of the developments today following the declaration of the report of the affairs of the institution by the curator, A. B. Barker. Total assets of \$13,848,400 were reported by the curator, and the liabilities "to the public" are \$18,486,978. This leaves a deficit of \$4,638,578. The assets above mentioned, however, include "special assets" of \$9,223,997, which Mr. Barker warned might not realize anything like that amount. They consist of advances and loans to various companies, including the Canadian National Bank, the Canadian Pacific Railway, and the Canadian Government. The curator, however, could say whether the shareholders would be called upon for payment of their double liability. These were matters for disposition to the liquidator.

character amounting to \$1,336,409, sustained in the Toronto office; estimated losses of \$190,000 were reported by branches in Manitoba, Alberta and Saskatchewan, outside of Winnipeg branch, and \$122,820 at branches in British Columbia. Specific losses, according to the report, include:

Advances to the King Shoe Company and the Canadian Shoes, Limited, amounting to \$517,558; Amniror Cabinet Company, \$120,410; advances re veterans' scrip and western real estate, \$250,347; False Creek 394, and the Gen. Mason and loans to the Brig. Gen. C. J. Mason, aggregating \$97,000.

Journalist Is Chosen LIBERAL CANDIDATE
Special To The Advertiser.
Amherst, Oct. 3.—Hector Authier, journalist, formerly of Montreal, and now publisher of the "Amherst Star," a local weekly, was unanimously chosen as Liberal candidate for the coming by-election in the County of Abitibi at a convention held here last evening under the presidency of Hon. J. E. Forreault, minister of colonization, mines and fisheries.

Warrant For Arrest of Daly and Directors Based On Investigations.

CITES BANK ACT
Investigation Gives Ground For Belief That Directors Made False Returns.

Canadian Press Despatch.
Toronto, Oct. 3.—F. J. Russell and George Wood, directors of the suspended Home Bank, and O. G. Smith, chief accountant, were placed under arrest by provincial officers this afternoon following the action taken by federal and provincial authorities. It is understood that the police are on the way to Lake Simcoe to arrest H. J. Daly, president, at his summer home there.

Canadian Press Despatch.
Ottawa, Oct. 3.—A warrant has been issued for the arrest of President Herbert J. Daly of the Home Bank. It is officially announced today by the finance department.

This announcement was contained in an official statement issued here today at noon by Right Hon. W. S. Fielding, minister of finance, which states that as a result of the curator's report and other investigation, the department believes that the officials of the bank shortly before suspension made returns to the minister of finance containing false and deceptive statements of the bank's affairs. The returns in which these false and deceptive statements were contained were signed by Herbert J. Daly, president of the bank, and J. Cooper Mason, general manager.

Mr. Mason, it is recalled in the official announcement, died soon after the return was made. An officer of the finance department left here last night for Toronto, and upon his application a warrant was issued for the arrest of President Daly.

Believe False Reports.
Mr. Fielding said that the question whether action would be taken against other parties would be considered in due course.

The report of the curator of the Home Bank has been received by the minister of finance, and by the president of the Canadian Bankers' Association. From the curator's report and from other information obtained by a special investigation, conducted by a representative of the department of finance, the department believes that the chief officers of the bank, in the return prepared shortly before the bank's suspension, made returns to the minister of finance containing false and deceptive statements of the bank's affairs, contrary to the provisions of section 153. The returns in question were signed by Herbert J. Daly, president of the bank, and J. Cooper Mason, general manager of the bank. Mr. Mason died soon after the return was made. Mr. Daly, it is understood, is in the city of Toronto. Acting under the advice of the department of justice, an official of the finance department, who proceeded to Toronto for the purpose, has this day laid information before the magistrate and a warrant has been issued for the arrest of President Daly.

Gives Section of Act.
Section 153 of the bank act reads as follows:
(a) The making any wilfully false or deceptive statement in any account, statement, return, report or other document respecting the affairs of the bank, or (b) the using of any false or deceptive statement in any account, statement, return, report or other document respecting the affairs of the bank with intention to deceive or mislead any person, is an indictable offense, punishable, unless a greater punishment is in any case by law prescribed, therefore, by imprisonment for a term not exceeding five years.

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DONNA GRACEY, elected president of the London South Collegiate Institute Literary Society yesterday afternoon. Miss Gracey is a fourth year pupil.

SELL \$200,000,000 OF NEW FEDERAL REFUNDING LOAN
Brokers Wish To Distribute Bonds Among Individual Investors.

Local investment bankers and brokers stated this afternoon that the refunding loan had "gone over" better than the most optimistic expected. The \$200,000,000 worth of new Dominion bonds is now all sold to financial houses, and these in turn have practically disposed of their entire holdings to corporations and private investors.

Orders from big industrial subscribers are sufficient to warrant the closing of the loan, but brokers will not fill their demands. They desire to make as great a distribution of the bonds as possible and millions of dollars worth are being held for the benefit of individual subscribers. If this class does not buy the remainder of the bonds, they will be readily purchased by loan and insurance companies and other financial and industrial institutions.

Virtually Sold Out.
Johnston & Ward, Aemilius Jarvis & Co., Nesbitt-Thompson Company and other nationally known brokerage and banking houses reported that the loan was virtually sold out, but a proportion of the bonds will be retained until October 15 for the benefit of farmers and others who may not have sufficient cash immediately available to invest.

Avoid Discount.
It is understood that sales are being made to large American banks and industries who will leave the bonds in Canada rather than take them to the United States, where they would have to pay the existing discount of 2 1/2 per cent on Canadian money.

Rumors Afloat Trustee To Quit
Report Is That Edwin Smith May Enter Utilities Race.
There was a persistent report today that Edwin Smith, chairman of the board of education was about to resign from that body and seek reelection to the public utilities commission. In order to do this he must resign from the school board within a specified period.

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STREET RAILWAY WILL NOW APPEAL FROM VERDICT OF REVISION COURT
Assessment Reduced by 50 Per Cent, But This Does Not Satisfy Railway Directors.

ASK SCRAP VALUE
Also Contend That Poles and Wires Are Exempt From Taxation.

Now it is the street railway's turn. Assessment Commissioner Bennett announced at noon today that three rather important appeals against his assessment will now be filed in the county court for an immediate hearing.

One of these is the appeal against additional assessment from the street railway corporation. The others are appeals against income assessment from the Hon. Charles Hyman and W. F. Jarvis. All are appealing against the final decision last week by the members of the London court of revision.

Assessment Commissioner Bennett doubled the street railway assessment this year. The company appealed at the last sitting of the revision court. A fifty per cent reduction was allowed. This did not satisfy either Mayor Wenke or the commissioner, who pointed out that the company's assessment, contrary to the situation elsewhere, had remained unchanged since 1906. Only yesterday afternoon, however, they decided to accept the decision of the court and be satisfied with the fifty per cent increase.

But now the street railway authorities are apparently dissatisfied. L. G. Bell, treasurer of the company, notified the commissioner this morning that the company was also appealing against this fifty per cent increase. He pointed out that the company's assessment, contrary to the situation elsewhere, had remained unchanged since 1906. Only yesterday afternoon, however, they decided to accept the decision of the court and be satisfied with the fifty per cent increase.

Hydro Looks For \$20,000 Surplus
Business Growing As Rapidly As It Can Be Cared For.
The local hydro department will yield a comfortable surplus this year—perhaps as much as \$20,000—according to a prediction by F. V. Buchanan, general manager.

The hydro business is growing by leaps and bounds, and the department will be kept busy next year, as during the present period, extending the lines, installing new transformers, etc.

HONOR FOR MRS. WRIGHT.
Mrs. Gordon Wright, who left recently for Scotland to deliver a series of addresses in the interests of prohibition, was yesterday appointed to another important executive post in the national prohibition forces. She is a member of the two vice-presidents of the National Dry League. Mrs. Wright is at present the president of the Dominion W. C. T. U.

DOVER CHILD KILLED BY FATHER'S HORSE
Six-Year-Old John Miller Is Victim of Shocking Fatality.
John Miller, 6-year-old son of Mr. and Mrs. J. F. Miller of Dover Township, was this morning instantly killed when he was crushed to death under a heavy wagon at Mahood farm.

The boy was playing around the house at Mahood farm when his mother sent him for a bottle of coal oil. He was carrying the bottle for some time, and did not see his mother until he was carried to the house by his father dead.

Depositors In Home Bank Likely to Get 73 Cents On the Dollar Experts Think
Much Depends On Whether Governments Enforce the Priority Claim.

STOCKHOLDERS HIT
Local Financial Men Say Outlook For Depositors Better Than Expected.

Local financial men who desired their names withheld, informed The Advertiser today that Home Bank depositors would not receive more than 73 cents on the dollar.

They based their deductions on the curator's statement of assets and liabilities, which shows a \$5,259,376 deficit, the assets amounting to about \$11,250,000 all told. They assume that \$3,000,000 of government deposits will be paid in full. This leaves about \$8,250,000 to be distributed to depositors holding \$15,000,000 in accounts. Assuming that \$1,000,000 will be collected from shareholders on the double liability clause, and adding \$250,000 reserve fund to the total, the amount left to be distributed among depositors will be about \$11,250,000. This represents about 73 cents on the dollar.

Although A. B. Barker, curator for the Home Bank, refused to predict what dividends depositors would receive after the financial tangle had been straightened out, local savings holders believe it will amount to over 80 per cent.

The curator's announcement this morning showing that the total deficit would only reach \$5,259,376, was hailed with unfeigned joy by London depositors. They figure that this represents approximately 20 per cent of the bank's liquid and slow assets, thus leaving 80 cents on every dollar deposited in the bank.

Depends on Government.
What the depositors will ultimately receive, however, will depend largely on whether the federal and provincial governments enforce their priority claim. The federal government has already been asked to waive its priority rights in the Home Bank. Under the bank act, the federal government has a claim on the bank's assets for the payment of its debts. The federal government has already been asked to waive its priority rights in the Home Bank. Under the bank act, the federal government has a claim on the bank's assets for the payment of its debts.

Turn to Page 5, Columns 2 and 4.
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POSTPONE ACTION ON TRADE ISSUE UNTIL PREMIER BRUCE ARRIVES
Lord Curzon Will Resume Report On British-Franco Relations.



Lord Curzon, secretary of state for foreign affairs, will take up the story of Great Britain's foreign policy where it was left off by Premier Baldwin on Monday. There it is expected that Britain's relations with France as a result of the Baldwin-Poincare conversations, will be more fully detailed.

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EX-PREMIER WILL REACH MONTREAL SATURDAY NIGHT
Welsh Societies To Tender Lloyd George Reception On Sunday.

Canadian Press Despatch.
Montreal, Oct. 3.—Ex-Premier Lloyd George will arrive here Saturday night at 9 p.m. and will be officially welcomed to the city by the mayor and a representative committee.

On Sunday, Lloyd George will breakfast with Mayor Martin and will then attend the First Baptist Church. After service there will be a reception by the Welsh societies. He will turn the sod for the new Westmount Baptist Church in the afternoon and in the evening will dine with Lord and Lady Atholstan. He will then attend the First Baptist Church.

UNIVERSITY WILL ENTER TOURNAMENT AT M'GILL
The University of Western Ontario will this year enter a team in the later collegiate tennis tournament to be held at McGill University some time this month. Toronto and Queens universities have also entered teams.

The maximum daily loss for this number is 20,000 horsepower, as compared with about 17,000, the high mark during 1922.

COMMISSION PROPOSES REDUCING WINE PRICES
Canadian Press Despatch.
Montreal, Oct. 3.—Plans to provide cheaper wines by offering special inducements to licensees have been made by the Quebec Liquor Commission. At present discounts of 10 per cent are made to the trade by the commission. The maximum daily loss for this number is 20,000 horsepower, as compared with about 17,000, the high mark during 1922.

WHO IS THE BIG BATTER IN THE WORLD SERIES?
Will Babe Ruth come through? Or will he flop again as he has the past two years? Or will some unknown rookie rise from obscurity to become the hero of the hour?

What Is Your Best Guess?
\$25
The Advertiser will give a cash prize of \$25 to the person making the closest guess of the leading batter and his batting average.

BALLOTS WILL BE PRINTED EACH NIGHT UNTIL NEXT WEDNESDAY IN THE ADVERTISER'S TWO GREEN EDITIONS—the First Extra, on the street at 5 o'clock, and the Sporting Green, on the street at 6.
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THE WEATHER
FORECASTS.
Moderate to fresh southwest to northwest winds; fine today and on Thursday; not much change in temperature.
Temperatures.
The highest and lowest temperatures during the 24 hours previous to 8 a.m. today were:
Stations. High. Low. Weather.
Victoria..... 60 52 Cloudy
Quebec..... 72 58 Clear
Winnipeg..... 74 44 Clear
Port Arthur..... 70 46 Clear
Parry Sound..... 53 44 Fair
Toronto..... 62 42 Fair
Kingston..... 56 44 Fair
Ottawa..... 56 36 Fair
Montreal..... 60 46 Fair
Quebec..... 62 42 Fair
Father Point..... 42 Fair
St. John..... 62 40 Fair
Halifax..... 68 34 Clear