

OFFICIAL OF BANK HINTS \$25,000 CASH WAS PAID BEFORE TIME OF U.F.O.

Committee Probes Mason's Story That M. J. Haney, President of Home Bank, Carried Money To Parliament Buildings in September, 1919—Clarkson Makes Report—Haney On Sick Bed Denies the Transaction—Harris Threatened With Arrest.

LEDGER COVERING BIGGS' ACCOUNT MISSING

Canadian Press Despatch.

Toronto, April 16.—G. T. Clarkson, liquidator of the defunct Home Bank, made a statement to the public accounts committee this evening that he had been told last week by an officer of the bank that J. C. Mason had informed the officer that \$25,000 in legal had been paid to M. J. Haney, president of the bank, in September, 1919, and he was taking it to the Parliament buildings.

Mr. Clarkson, following this, saw Mr. Haney, who is sick at his home, and Mr. Haney denied that he ever got the money or ever went to the Parliament buildings with it.

Told By Mr. Mason.

J. C. Whitaker, the supervisor of the Home Bank, who made this statement to Mr. Clarkson, was called and repeated it under oath as having been told to him by Mr. Mason, former general manager of the bank.

Under examination he admitted that he thought now Mr. Mason had told him such a story as a blind. He said he would rather believe Mr. Haney than Mr. Mason.

Thomas McGarry, provincial treasurer in the Healey government, said he knew nothing of any commission of a loan of four millions floated by him with the Home Bank, just a few weeks before his government resigned.

Mr. McGarry, under examination by W. E. N. Sinclair, Liberal leader, said representations were made to him when he was treasurer, that the Home Bank was not getting its share of deposits from the government, and in 1914 he increased them by a couple of hundred thousand.

"What reason had you to favor the Home Bank?"

"None except that the directors were co-religionists of mine."

"There was no other reason?"

"None at all. The bank was perfectly solvent at that time."

Mr. McGarry said he would make no excuses for putting money in the Home Bank as none were made in 1919 he had put money in the Home Bank near the end of the fiscal year of the bank.

"Was it to make a better showing of the bank in its report to the Dominion government?"

"Yes."

Shifted Provincial Funds.

"You shifted provincial funds to bolster up the funds of the Home Bank for their fiscal year?"

"Yes."

Mr. McGarry said he did not do the depositing for the province personally. He denied that any special inducements were offered in the loan made through the Home Bank in late 1919. He said that he and himself, Col. Mason of the Home Bank knew anything about the loan, although certain officials knew he was negotiating. The province, he said, had to have a profit out of the money, because other big loans for other governments were being arranged about the same time. The money on the loan was not paid while Mr. McGarry was treasurer.

"Was there any arrangement for a commission?"

"None whatever."

"Was anybody entitled to any commission?"

"No."

"You and Mason were the only ones who knew anything about it?"

"Please make no imputations."

"There was \$25,000 in legal drawn at that time. Did you hear or see anything of that?"

"No. The fact I knew of it was the evidence here the other day before this committee."

Mr. McGarry said he would be glad to find out where the so-called commissions totaling \$42,000 on this deal went. He said no rebate was ever intended when the loan was made. He said he would like to hear Mr. Matthews give evidence.

Haney Gives Denial.

Mr. Clarkson, then called, said that last Friday afternoon an official of the bank said that Mason told him in 1919 that \$25,000 in legal had been paid to Mr. Haney, the bank's president, who was taking it to the Parliament buildings. "If I saw Mr. Haney today and I may say he has been a very sick man for two months and unable to do business. He told me he had never got any such money from Mr. Mason and that he had never taken any to the Parliament buildings."

Mr. Clarkson said that as liquidator of the bank he figured that the \$42,000 was bank money and he wanted to get it if possible. He also thought the missing \$15,000 check bank money if there had been no arrangements about commission. He also told the committee that in June, 1919, Col. Mason drew \$10,000 in \$100-bills. Nine of these bills were traced to Mr. Mason's personal account, but 91 bills disappeared.

The deposit of the nine \$100-bills was in Mr. Mason's account in the Central Canada Loan Company. Mr. Clarkson was asked by the committee to make an investigation of this account and report to the committee tomorrow.

Did Not See Money.

J. C. Whitaker, former supervisor of the Home Bank, was called and said that he did not see the \$25,000 in legal.

"What was the whole amount?"

"I think so."

"Where were the bonds?"

"What amount did you take and what amount did you give your wife?"

"Witness didn't recall, stating that he handled so many bonds in his business he could remember no such details. Mr. Price asked him concerning several bond purchases, but witness could not remember what he did with any of them."

"Did you give bonds to some of your friends?"

"No."

"Did Mr. Peter Smith get any?"

"No."

"Did your friend, Mr. Biggs?"

"No."

"What we want to know is the final disposition of these bonds you bought with your profits?"

"Witness said he could not tell without consulting his wife's accounts, as he was handling thousands of securities."

"Did you tell Mr. Biggs of your big profits?"

"No."

"He was aware that Mrs. Biggs had been a shareholder in the brokerage company which had gone bankrupt. Mrs. Biggs had \$10,000 stock in it. Witness said it would be a complete loss and that he had lost \$20,000 himself in the same company."

Mr. Harris said he had secured no introduction to the government in order to sell his bonds, and had got into the deal because it was common knowledge that the government was buying bonds and inscribed stock. Witness could not tell why he had started a separate account for business done with the province and why

this account was not audited by the auditors who audited the books of the company on its other transactions. He persisted that he could tell no reason and the chairman warned him that he was rapidly putting himself in a position where he would be reported to the Legislature. The witness still failing to answer the question, the chairman stated that he was satisfied that he was deliberately trying to fool the committee.

Left With Officer.

"I think he should be left with Mr. Cuddy or one of the officers of the crown," said Chairman Finlayson. An officer was despatched to stay with Mr. Haney in the lobby, and Mr. Denman, a present partner of Mr. Harris, was called. He knew nothing of the deals with the government, he said. He stated that Mr. Harris was still trying to clear off old debts, and he could not remember certain deals because of the bad shape of books and documents.

Mr. Price suggested that Mr. Harris be left with the provincial officers until the night session of the committee.

Man Looked At Mr. Haney and saw if he was capable of giving some evidence about the story that he took \$25,000 to the Parliament Buildings.

Col. Currie stated that in view of the fact that there were some who thought that the committee was trying to stop certain information from coming out, the committee should go on as long as there was anything to investigate. "I think the treasurer should lay this matter before the cabinet," he said, "and arrange further sittings, if necessary."

Mr. Price said he would bring the matter before the prime minister, Mr. Sinclair thought the committee should not rest until C. A. Matthews and L. C. Mason had given evidence.

"Did Mr. Mason tell you how the money was going?"

"He said it was going to the buildings via Mr. Haney."

"You didn't remember that when you gave evidence?"

"No."

"What brought it to your memory?"

"Inspector Greer asked me if the bank had a chauffeur, and I said the bank had one and remembered that he drove Mr. Haney on the day I think of."

"Where is the chauffeur now?"

"He is in California."

Questions Reliability.

J. A. Currie asked if Mr. Mason was a reliable man when he made statements around the bank, and the witness said he was not.

"Would you rather trust Mr. McGarry than Mr. Mason?" asked Mr. Currie.

"I would trust Mr. McGarry first. There was much objection to the question, but witness said he would rather believe Mr. McGarry."

Witness remembered that Mr. Haney saw Mason that day. The witness was told to take the gum out of his mouth and answer questions more promptly. He declared he had seen from his window the car leave with Mr. Haney in it. At the time he accepted Mr. Mason's statement that the car was then leaving for the Parliament buildings with Mr. Haney, who had \$25,000.

Witness told Mr. Price that there was nothing unusual about Mr. Haney being driven away in an automobile from the office of the bank.

"It was what Mr. Mason said to you that brought it to your attention?"

"Yes."

"Mason's remark might have been a blind?"

"I am inclined to believe now that it was."

"Would you believe Mr. Haney if he said he didn't go to the buildings and didn't have the money?"

"Yes."

"You came to the conclusion that Mr. Mason was yarning?"

"Yes."

Matthews Missing.

Inspector Cuddy, on request of Mr. Sinclair, then made his first statement concerning Mr. Matthews and L. C. Mason, who is married to a stepdaughter of Mr. Matthews. "I am sorry we cannot find them," he said. "We have been everywhere to search them and searched everywhere we thought they might be."

"Can we expect them in a day or two?"

"I don't think you can expect Matthews in a day or two," was the reply.

George R. Harris of Hamilton, who was the main man in the Provincial Securities, then made big profits selling bonds to the Ontario government, was then called. Out of \$31,000 profit made on one deal, he had sworn previously that certain accounts were paid and Mr. Price showed him from the books that these accounts were not paid out of this profit. Mr. Harris said he had so many accounts and deals he could not remember them.

"Out of the profits of the Provincial Securities you bought bonds that cannot now be traced. Who did you give them to?" asked Mr. Price.

"I kept some myself and gave some to my wife."

"Was that the whole amount?"

"I think so."

"Where were the bonds?"

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T. W. MCGARRY.

provincial treasurer in the Healey government, who admitted before the public accounts committee yesterday that he had shifted provincial funds in another bank to the Home Bank to bolster up the standing of the latter institution for the fiscal year.

HOSPITAL DAY PLANS ARE NOW UNDER WAY

Celebration Will Be Held May 12—Committee Meets Yesterday.

Favorable progress was reported by the representatives of the five hospitals in London and vicinity which will take part in the celebration of Hospital Day in London on May 12, at a meeting held at Queen Alexandra Sanatorium yesterday afternoon. Dr. G. G. Clegg presided.

A letter from the Ontario Hospital Association was read, in which the association approved of the movement and promised its support in the undertaking.

Meighen Backs Plan.

Rt. Hon. A. Meighen supported the increased exemption for children. He could not, however, support the proposals to differentiate between income from investments and income from wages.

In countries where the proposed

DYSPEPSIA WAS SO BAD
Could Hardly Eat Anything

Mrs. C. Stone, Nanticoke, Ont., writes:—"Some time ago I had a very serious attack of dyspepsia, and was also troubled with gas on my stomach. I could hardly eat anything, and very often had pains after meals. I had used different medicines, but they didn't seem to do me any good. At last I happened to run on the track of Burdock Blood Bitters, and after using it for a short time I felt a lot better. I continued its use until I was completely relieved and now I am ready to recommend it to anyone troubled as I was."

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How to Guard Against Appendicitis

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Miss Eva Roddick Tells How Cuticura Healed Eczema

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LOCOMOTIVE FIREMEN'S APPLICATION REFUSED

Brotherhood Applied For Regulation of Hours of Duty Employees.

Canadian Press Despatch. Ottawa, April 16.—The board of railway commissioners has refused the application of the Brotherhood of Locomotive Engineers and the Brotherhood of Locomotive Firemen and Engineers for an order prescribing such regulations as may be deemed necessary in connection with the limitation of regulating of the hours of duty of employees engaged in the operation of trains of the railway companies, subject to the jurisdiction of the board.

Although hearing of the case was held on June 21, 1922, the finding of the railway commission was not made public until today.

GOVERNMENT WILL CONSIDER REDUCTIONS IN INCOME TAX

To Discuss Three Amendments Proposed by Quebec Member.

ASKS DOUBLE EXEMPTION

People Married Under Community Regime Would Benefit If Plan Adopted.

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Ottawa, April 16.—The House of Commons this afternoon adopted a motion proposed by Jos. Archambault of Chambly-Vercheres favoring consideration by the government of amendment to the income tax act.

(1) To increase from \$300 to \$500 the exemption granted to each child; (2) to differentiate in the amount of taxation against invested capital and that placed against revenue derived from salaries or wages; (3) to grant to people married under the community regime an exemption equal to that which is granted to people married under the regime of separate maintenance.

Regarding the last proposal, Mr. Archambault explained that in Quebec two persons married under the regime of separation as to property, that is, having a marriage contract, who have a double exemption, say \$2,000 each, or \$4,000 in all, if married under community of property, that is without a marriage contract, would have only one exemption of \$2,000. He proposed that in both cases the double exemption be granted.

Rt. Hon. Arthur Meighen asked whether Mr. Archambault thought a farmer living on his savings should be charged a higher rate of interest than the salaried man. Mr. Archambault suggested that income from inherited investments should be taxed at 6 per cent, incomes from savings 4 per cent, and income from salary up to \$10,000 2 per cent.

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Prisoner Dies Of Starvation

Associated Press Despatch. London, April 16.—The correspondent of the Daily Mail at The Hague reports a case which strikingly illustrates the infrequency of arrests in some parts of Holland. A man arrested about the end of March in a little town near Utrecht has just been found dead of starvation in his cell, the writer says, the authorities having forgotten that he had a prisoner.

system had been tried it had operated against individuals, so much so

Father of Twenty Speaks.

H. E. Lavigne (Liberal, Quebec County), who has over 20 children, proposed that the father of a family of 12 should be totally exempted from income tax.

W. C. Good (Progressive, Brant), sympathized with the resolution, but opposed the taxation of income from savings.

Hon. J. A. Robb said the government had no objection to the resolution,