

Liabilities a Million More Than Assets Is Gov't Agent's Report of York Loan

Mr. Cross Says Failure Was Due to High Expense of Running Concern—Finds Officials Had in No Way Diverted Funds—Says Bookkeeping Was Obscure.

[Special to The Advertiser.]

Toronto, Jan. 3. — Mr. Cross, the accountant appointed by the Government to examine into the finances of the York County Loan, has completed his report, and it will be at once forwarded to the Attorney-General. Mr. Cross finds assets of \$2,000,000 or over, with charges against them of \$1,000,000 for creditors and mortgages. The liabilities are slightly in excess of \$3,000,000.

The records of the permanent shares, and full paid up withdrawals shares are perfectly plain, but great difficulty was experienced in determining the liability to terminating shareholders, there being no record obtainable showing what amount is owing to holders of such shares.

Books Were Obscure.

The investigator does not express satisfaction with the bookkeeping methods. The books did not show the real liabilities of the business to the shareholders, the officers did not know their real position in that regard, and had no clear idea of the amount that had to be earned in order to fulfill the agreement. The books were not audited. The auditor's statements were wrong, and the annual report misleading. The liability to withdrawing shareholders was above \$1,000,000 more than was indicated by the books. An attempt will be made to get at the true state of affairs by collecting the shareholders' passbooks and totaling their claims, allowing for forfeitures. Expenses Too High.

The investigator finds the nature of

the enterprise itself responsible for what happened. It was impossible for it to succeed with such high expenses for getting business, collecting money and taking care of it. The investments did not bring in sufficient cash revenue. In 1904 there was only \$500,000 in interest-bearing securities in the hands of the company producing a cash revenue. This revenue was about \$30,000. Whether the loans to subsidiary companies were ultra vires or not will be determined by the courts in the process of liquidation. The officers of the company are found to be blameless of any charge of diverting funds. The loan to the Southern Light and Power Company was made by Mr. Phillips without the knowledge of the other directors, but apparently for the company.



HON. L. P. BRODEUR,
Minister of Inland Revenue.
An Ottawa report says he is likely to succeed the late Minister of Marine.

MUNICIPAL NOTES.

The newly-elected aldermen do not appear in any great hurry to try on their newly-gained crowns. So far only two have taken the declaration. They are Ald. Stevenson and Ald. Greenlee. The declaration, after certifying to the necessary property qualification, goes on to say:

"I, do solemnly promise and declare that I will truly, faithfully and impartially, to the best of my knowledge and ability, execute the office to which I have been elected in this city, and that I have not received, and will not receive any payment or reward, or promise of such for the exercise of any partiality or malversation, or other undue execution of the said office, and that I have not by myself or partner, either directly or indirectly, any interest in any contract with or on behalf of the said corporation."

There is every probability that politics will cut but a small figure in the council proceedings this year. It is likely that an agreement will be reached satisfactory to all in the matter of committee arrangement. Today it was said around the city hall that if Ald. Gerry wants the chairmanship of the board of works, no opposition will be offered. Ald. Forristal is mentioned for the chairmanship of No. 1 committee, and Ald. Matthews for chairman of No. 3. This would mean a chairmanship for a Liberal and another for a Conservative, with Ald. Forristal, who is acceptable to both parties, at the head of No. 1.

Speculation has also begun as to the personnel of the committees. As a usual thing, the board of works is regarded as the chief committee of the council, but this year, owing to the important railway matters which will come up, No. 1 committee will have unusual responsibilities. It is realized that there must be no picayune quibbling with the Grand Trunk, which this year will spend fully a million dollars in London and immediately outside of London. It will be to the city's interests to have a new depot, freighthouse, and other buildings constructed, and the finance committee of the council must conduct the negotiating as skillfully as possible.

Wise men around the city hall have picked out the following slates:

No. 1 Committee — Ald. Forristal (chairman), Ald. Wyatt, Ald. Armstrong, Ald. Greenlee.

No. 2 Committee — Ald. Gerry (chairman), Ald. Gillean, Ald. Garratt, Ald. Saunders.

No. 3 Committee — Ald. Matthews (chairman), Ald. Stevenson, Ald. Cooper, Ald. Booth.

This arrangement would leave the committees about evenly divided politically, and it is said should even be satisfactory.

(Continued on Page Eight.)

THE WEATHER.

Tomorrow—A Little Colder.
London, Wednesday, Jan. 3.
Sun rises, 7:51 a.m. Moon rises, 12:46 p.m.
Sun sets, 4:53 p.m. Moon sets, 12:35 a.m.
Toronto, Jan. 2-3 p.m.
Minimum and maximum temperatures:
Edmonton, 26-34; Calgary, 18-22; Qu'Appelle, 2 below-20; Winnipeg, 10 below-16; Port Arthur, 6 below-16; Parry Sound, 18-26; Toronto, 28-34; Ottawa, 4-16; Montreal, 6-12; Quebec, zero-2.

FORECASTS.

Wednesday, Jan. 3-8 a.m.
Today—Strong winds and gales; milder, with sleet and rain.
Thursday—Strong westerly winds; fair and a little colder; local snow flurries.

TEMPERATURES.
Stations. 8 a.m. Min. Weather.
Calgary 36 18 Rain
Winnipeg 11 4 Fair
Parry Sound 20 14 Fair
Toronto 20 24 Fair
Montreal 8 6 Rain
Quebec 8 4 Fair
Father Point 8 16 Rain

WEATHER NOTES.

The southwest disturbance mentioned yesterday is now centered in Missouri. It is very energetic, attended by high winds. In the Northwest Provinces the temperature continues unusually high for the winter season.

LOCAL TEMPERATURES.
The highest and lowest readings of the thermometer at the local observatory for the 24 hours ended at 8 p.m. Tuesday were: Highest, 34°; lowest, 9° above.



HON. WM. TEMPLEMAN,
Minister of Finance.
His Name is Mentioned in Connection with Cabinet Vacancy Due to Death of Mr. Prefontaine.

AMALGAMATION GOES

Attorney-General Approves of Union of Two London Companies.

A special to The Advertiser from Toronto says the Attorney-General has assented to the amalgamation of the Huron and Erie with the Canadian Savings and Loan Company.

BANK CLERK SUICIDE

Despondency Drives Former Chatham Man to Desperate Deed.

Winnipeg, Jan. 2.—Robert George McCosh, a clerk at the Bank of Commerce, committed suicide by shooting himself in the head this morning.

His accounts were straight at the bank. Despondency is said to be the cause. He was 31 years of age, and was a son of Rev. Mr. McCosh, of Chatham, Ont.

FUNERAL BY ROWBOATS

Unusual Spectacle Witnessed on the Water of the Hudson.

Tarrytown, N. Y., Jan. 3. — In large rowboats that trailed slowly and silently through the water, a funeral cortege made its way across the Hudson River yesterday to Nyack, a distance of three miles. The funeral party had come from Albany, only to find that the ferryboat from this city had been laid up for repairs.

In the coffin was the body of an Albany man. Seven large rowboats were manned to take the party across the river. The coffin, weighing 800 pounds, was placed in one boat, which led the strange line, the mourners following in boats singly filed. The unusual trip was made without mishap, and the burial took place in Nyack.

BLACKMAILING A CARDINAL

Vannutelli Threatened With Publication of Compromising Letters.

Rome, Jan. 3.—Cardinal Vincent Vannutelli, arch priest of the Libreria Basilica, received a note which was posted in Rome Dec. 30, threatening the publication of compromising letters, said to have been written by the cardinal, if he did not send 1,000 lire (\$200) addressed to the initials "C. E." to be left at the postoffice until called for. The cardinal landed the letter to the police, who this morning arrested a well-dressed man who asked for a letter with the initials "C. E." The prisoner, whose name is kept secret, and who protests his innocence, proved that when the blackmailing letter was posted in Rome he was in Genoa, where he landed on reaching Italy from New York.

Blake Again Chatter.

London, Jan. 2.—Edward Blake was again nominated as the Nationalist candidate in South Longford. He is in Canada now. If he accepts it is likely that he will be unopposed as in the past two contests.

Chauncey Depew III.

New York, Jan. 2.—A report was current both in New York and Albany last evening that Senator Depew was seriously ill. The business and political strain under which he has labored recently lent color to the rumor, which became a matter of wide interest. A persistent rumor was also current that Mr. Depew was about to resign from the United States Senate.

\$10,000,000 STEEL PLANT IS NOW ASSURED FOR SANDWICH

OPTIONS EXTENDED; WORK TO OPEN IN THE SPRING

Detroit, Jan. 23. — There now seems no doubt that the United States Steel Company will complete the purchase of the property it has under option on the Canadian shore of the Detroit River below Sandwich, and build the \$10,000,000 steel plant talked of some months ago.

In the early part of December all of the options the trust had secured on land below Sandwich were renewed. A few days ago a party of gentlemen representing the United States Steel Company very quietly took soundings all along the Canadian shore in front of the property under option, for the purpose of securing accurate data as to the depth of water and the exact location of the channel bank. This is taken to mean that the location of the docks is being decided upon, and that work on the new plant will probably begin as soon as spring opens.

Sandwich, Jan. 3. — There seems little doubt but that the United States Steel Company will complete the purchase of the property under option here and build a \$10,000,000 steel plant. All options have been renewed, and soundings are being taken along shore for location of docks.

FEWER LIQUORS; LOTS OF SMOKE

Excise Returns Show Falling Off in Consumption of Spirituous Liquors.

Ottawa, Jan. 3.—Excise returns issued yesterday, showing the quantity of spirituous liquor consumed in Canada, afford satisfaction to the temperance reformer. During the last fiscal year 3,112,343 gallons, valued at \$5,947,126, were entered for consumption, as compared with 3,481,287 gallons, of the value of \$6,656,602, in the previous twelve months, being a decrease of 368,444 gallons in quantity and \$1,709,476 in value. There is an increasing foreign demand for Canadian spirits, the quantities exported for the last five years being as follows:

	Proof gallons.
1900-1901	3,481,287
1901-1902	3,112,343
1902-1903	2,854,602
1903-1904	2,597,602
1904-1905	2,340,551

There has been an increase in consumption of malt liquors. The quantity of malt by pounds given in the returns as consumed in 1905 was 75,192,810, as against 75,439,347 for the years previous. There were 29,339,679 gallons manufactured, being an increase of 3,004,055 gallons.

Votaries of the fragrant weed show no signs of diminishing devotion, for in the last fiscal year 8,115,904½ pounds of tobacco, 6,708,000 cigarettes and 33,682,295 cigars went up in smoke. Compared with 1904 this is a gain of 401,199½ pounds of tobacco, 4,522,599 cigarettes and 5,759,266 cigars.

DAN GALLERY UNSEATED

M. P. for St. Anns, Montreal, Disqualified by the Courts.

Montreal, Jan. 2. — Judgment was given in the St. Ann's contested election case, in which it was sought to unseat Dan Gallery, Liberal M. P. for St. Ann's division of Montreal.

The judgment which was rendered by Judges Davidson and Robitoux voided the election and disqualified Ald. Gallery.

The judges dealt at great length with the evidence in the case, which they declared showed that there had been many illegal and corrupt actions. The respondent himself had admitted in his evidence that he had spent \$7,000 for the election and some \$5,000 had been paid out to the chairman of committees.

There was no account of what these sums had been expended for, and if there was any explanation of how these sums had been expended except for corrupt acts, it had not been forthcoming.

The evidence showed the wide and unrestrained use of money, which constituted illegal methods, and was sufficient to void the election.

Earthquake in British Columbia.

Roseland, B. C., Jan. 2.—An earthquake, lasting for ten seconds, was felt here today. No material damage was done.

TELLER FLITS; CASH MISSING

Official in a Far West Institution Disappears With Strange Suddenness.

Edmonton, Sask., Jan. 3. — J. Fletcher Hutchinson, of Didsbury, Alta., teller of the Union Bank, fled on Saturday, carrying with him a package containing \$1,000.

He was traced to Calgary, where the police think he is hiding. The theft was discovered within three hours after the fugitive left the bank, when the manager checked up the cash.

Hutchinson was until three weeks ago occupying a similar position in the Edmonton branch. Inquiry at the local branch from J. J. Anderson, local manager, elicited the information that the defaulter, while in this city, bore an exemplary character. The manager had received a communication from Didsbury branch notifying him of the disappearance of the clerk with \$800.

Hutchinson was well-known and very popular in the city in social hockey circles.

The street accounts of the defalcation place the sum at \$1,200 from the Didsbury branch, and \$1,100 from the Edmonton Bank.

YERKES FOUNDS HOSPITAL

Leaves Large Sum for Institution To Be Erected in New York.

New York, Jan. 3.—In his will, read by Clarence A. Knight, his attorney, the late Charles T. Yerkes makes many public bequests. Provisions are made for the disposal of his New York home, after the death of his wife, to a corporation organized for the maintenance of his art gallery, the sum of \$750,000 to be given this project upon Mrs. Yerkes' death. Mr. Yerkes also provided for a hospital to be erected here. His widow, son, and others are provided for. The will was read to the members of his family, and they express entire satisfaction with its provisions.

Mr. Yerkes directs that the hospital shall be open for the public without regard to creed, color or race, and any patient received or admitted whose financial means are not such as to entitle the patient to pay for the necessary treatment shall be treated free.

Strike Fizzled Out.

St. John, N. B., Jan. 3.—The strike of printers on the Evening Times, declared on Monday, fizzled out last night, and the men the employers want will return to work in the morning. The trouble arose over the management dismissing a man they did not want, but the foreman objected and wanted another man dismissed instead. The foreman and two others lose their jobs as a result, and the Times becomes practically an open shop.

SAYS CONFESSION WAS A FAKE

Flint, Mich., Jan. 2.—The police here are convinced that John Horton lied when he claimed that he was implicated in the murder of the woman found at Hamilton on Oct. 9, who he claimed was Marie Hartz.

He could not even tell the manner of death, claiming she had been strangled and shot.

He knew nothing, whatever, about the names of streets in Hamilton, and could not give the names of anyone he professed to work for.

This afternoon Horton admitted to a reporter that he was not in Hamilton at the time of the murder, but had left there Oct. 2 for Port Huron.

He said he knew no one by the name of Santon and Laoreas.

He admitted that he was a dope head, and has had no "dope" since

FINGER MARKS MAY LOCATE MURDERER

Man Against Whom Suspicion Is Directed Has Digits Photographed and Measured.

Ottawa, Ont., Jan. 3. — A jury has decided that James Burke, of Ottawa, murdered here last week, came to his death by being struck on the head with some heavy blunt weapon. Dr. Small, in illustrating the probable effects, had in court a human skull that had been fractured. Alphonse Larocque, Ottawa, against whom suspicion is directed, has had his finger marks photographed and carefully measured. This information has been handed to Dominion police officials, and is being compared with bloodstained finger marks found on the handle of the spade that was near the dead body, and also on the table-cloth in the shanty where Larocque, with three other men and a woman, were arrested.

BANKS CAN'T PAY

York Loan Shareholders Misunderstand an Announcement.

Notwithstanding the explicit announcement made by the liquidators of the York County Loan and Savings Company, that certain banks and their branches would receive the books and certificates of members and give receipts for them, for the purpose of forwarding them free of expense to Toronto, a large number of the shareholders made up their minds that this statement meant something entirely different, and proceeded to act on the conclusion at which they had jumped. Just how they came to suppose that the announcement meant that the banks would pay them over the money they had deposited cannot be discovered, but that is the interpretation given to it by the number who went to the banks and made embarrassing demands.

Affairs are proceeding quietly at the head offices in Parkdale, where the books are being overhauled by the liquidators and accountants, and the passbooks are being taken in.

The interim report of the Government commissioner, Mr. W. H. Cross, will probably be in the hands of the Attorney-General today.

Expects 10,000 Emigrants.

Ottawa, Ont., Jan. 2. — Commissioner Coombs and Brigadier Howell, of the Salvation Army, are in the city. Brigadier Howell has got charge of the immigration work in Canada. He expects ten thousand immigrants to arrive next year.

THURSDAY NIGHT, AND IS ALL UNSTRUNG

Thursday night, and is all unstrung from lack of its use.

He said it appeared to him that he had had a hand in the murder of the woman at Hamilton, but he could not say definitely, and claimed that the idea that he had been mixed up in it had since taken stronger hold of him.

Horton was seen by Clarence Swift, and on being recognized said he had lived with Duncan Campbell near Ottawa from the age of 9 to 19 years.

Swift says Horton was always telling stories that could not be believed. Before the reporter finished interviewing Horton he admitted that his entire story was a lie.

He will be given a short term in jail as a vagrant until his story can be further looked into.

Detective Greer will be here from Toronto late tonight.

NATURAL INCREASE 219

City's Births During 1905 Exceeded Deaths by That Number.

During 1905 City Clerk Baker's record shows that there were in London, 872 births, 478 marriages, and 653 deaths. Thus the city's natural increase in population is shown to be 219.

HENRY 'FESSED

Bad Indian Admitted Burglarizing a Middleclass Store.

John Alexander, Johnson Peters and Thomas Henry appeared before Judge Macbeth this morning for election on the charge of breaking into Davis' store at Middlemills.

Alexander and Peters pleaded not guilty to the charge, elected trial by jury, and were sent to the June sessions. Henry elected trial by a judge, and when arraigned pleaded guilty. He was remanded for a week for sentence.

The rest of the gang have not yet been apprehended.

Henry has a bad record, and has been convicted before. He is considered a dangerous Indian.

DROPPED NEARLY \$5,000

Temperance Agitation Caused Decrease in Inland Revenue Returns.

The inland revenue returns for London for December are as follows:

Spirits, ex warehouse	\$7,364 32
Malt, ex warehouse	6,654 49
Raw leaf, ex warehouse	4,539 08
Cigars, ex factory	9,221 25
Cigars, ex warehouse	5,679 89
Other revenue	66
Total	\$33,069 10

The total for the same month a year ago was \$37,980 42, showing a decrease of \$4,911 32.

There are several contributing causes, including the temperance agitation, and the closing down of many cigar factories for nearly two weeks.

SERVED THEM RIGHT

St. Thomas Civic Dads Turned Out Because They Ignored People.

Ald-Elect Horton, of St. Thomas, was in the city today, and paid a visit to the city hall. He says St. Thomas has no system for checking accounts, and as he had been told that London's system is splendid, he came here to get a few pointers. On Monday the people of St. Thomas turned out of office all of the old aldermen. The cause was the failure of the city daddies to have a proper regard for what the people wanted.

It was proposed to build a speedway at Pinafore Park, and the project did not meet with the approval of the people. The aldermen, however, refused to listen to reason. Ballots were printed in the daily papers and the people were invited to vote. The people did so and voted against the speedway. But the council built it. Then the people's turn came and the aldermen were turned out.

ROY'S BAD DREAM

St. Petersburg, Jan. 2. — The remarkable allegation that the British fleet was held in readiness to destroy the Russian fleet if the battle of the Sea of Japan had gone in the Russians' favor, is made by Admiral Rojstevensky in a letter published in the Novoye Vremya today, with the permission of the Minister of Marine. Referring to the absolute secrecy of Admiral Togo in regard to the disposition of his forces, Rojstevensky declares:

"This was unknown even to the admiral of the British fleet allied with the Japanese, who concentrated his forces at Wei Hai Wei in expectation of receiving an order to annihilate the Russian fleet if this, the final object of Great Britain, was beyond the power of the Japanese."