

Mr. Murdock and Home Bank

bank's failure, thousands of dollars on deposit therein, to his credit, using certain information he had received as such minister, of the likely immediate failure of said bank, and had received advantage and profit to himself to the extent of such withdrawal, contrary to his obligations as such minister, and in derogation of his office and the honour, dignity and traditions of parliament:

That it be referred to the select standing committee on Privileges and Elections of this House to inquire fully into the said allegations with power to send for persons, papers and records, to examine witnesses under oath or affirmation, and that the said committee do report in full the evidence taken before them, and all other proceedings on the reference, and the result of their inquiries to this House for such action thereon as this House may determine.

Hon. JAMES MURDOCK (Minister of Labour): Mr. Speaker, I am under an obligation to the hon. member for West Hastings (Mr. Porter) for having advised me yesterday that he was going to bring this matter up to-day in the resolution that he has moved. I indicated to the hon. member that his proposed action was quite agreeable to me. I am not going to make any extended remarks in regard to this matter, leaving that for the members of the House. I am as much interested as the hon. member in maintaining the honour and dignity of this House, and I have an additional concern,

4 p.m. namely, my personal integrity and honour in the matter. May I refer to one charge that seems to be made against me. The hon. member charges that I made no attempt to clear up the charges that were made against me in the press as early as 20th February last. I should like to say in all seriousness that my experience has been that if I attempted to clear up all the charges that are made against me in the press, I might not have time to do much else.

I am going to read some correspondence that speaks for itself and deals with this matter. This is the first letter:

Home Bank of Canada,
Head Office,
Toronto, May 7, 1924.

Hon. JAMES MURDOCK,
Minister of Labour,
Ottawa, Ontario.

Dear Mr. MURDOCK,—The statement has been made to Mr. Weldon and myself, as liquidators, of the Home Bank of Canada, that withdrawals of funds from the Home Bank of Canada were made just prior to the suspension of the bank, and in some cases after its suspension, by various persons who received knowledge or an intimation of the condition of its affairs. The matter has come before the creditors' committee and counsel for the bank, who inform us that it is our duty—as we believe it is—to take steps to have these withdrawals returned. We have already in a number of cases dealt with the matter and received returns. In going over the reports we notice the withdrawal by you from the Ottawa branch, of some \$4,000, and the statement made to us is that this money was withdrawn after banking hours. The contention is that you received a preference, which the statute would not allow if the facts as stated to us are correct. Under these circumstances I have felt that I should write to you about

[Mr. Porter.]

the matter and ask whether you are prepared to return the money and rank as a creditor against the estate, receiving the 25 per cent dividend that has already been paid in the connection. I shall appreciate it if you will be kind enough to let me hear from you as to whether you are willing to do so or not, or whether on the contrary you would prefer to have the matter brought before the referee for adjudication.

Yours truly,
G. T. CLARKSON.

I replied to that as follows:

Ottawa, May 14, 1924.

Dear Mr. CLARKSON:

I have your letter of the 7th instant, relative to my withdrawals of moneys from the Home Bank of Canada.

On August 15 last I withdrew from the Home Bank, Ottawa branch, \$4,050 and made this withdrawal in the ordinary course of business.

In view, however, of what is set forth in your letter, and of what has been disclosed in connection with the bank's transactions in recent weeks, I propose to return the money which I then drew out.

I may say that I do not think that I am under any legal obligation to do so, but no depositor of the Home Bank will suffer through any act of mine, and especially so in my position as a minister of the Crown.

I enclose to-day my cheque for \$1,050 and hope within a few days more to send you the balance, namely, \$3,000. If, however, I am entitled to the benefit of the 25 per cent dividend already paid to depositors I would understand that I should only have to pay \$2,000 more.

I might add that although I had already a balance of \$80.24 or so there, and had filed my claim, I received no dividend on that.

Yours truly,
JAMES MURDOCK.

Mr. G. T. CLARKSON,
15 Wellington St., W.,
Toronto.

Yesterday morning, just before I received the notification from my hon. friend that he was going to deal with this matter to-day, I received the following letter:

Toronto, May 16, 1924.

Hon. JAMES MURDOCK,
Ottawa, Canada.

Re Home Bank of Canada

Dear Sir:

I am in receipt of your letter of the 14th instant for which I am obliged. I send you herewith a statement of the amount which, under my computations, it will be necessary for you to refund. From it you will see that the 25 per cent dividend paid can be credited against the withdrawal and that the net amount only will be refunded.

Your truly,
G. T. CLARKSON.

Accompanying that was this statement dated May 20, 1924:

Memo for Hon. James Murdock, Ottawa, Ont.
James Murdock Withdrawal Account

August 15—Charge..	.. \$4,050	bal. \$4,050	debit
May 16—Refunded..	.. 1,050	bal. 3,000	debit
May 16—25 per cent dividend on bal. (\$4,140.89)	1,035 22	bal. 1,964 78	debit
Interest 5 per cent Aug. 15, 1923—May 16, 1924..	150 30	bal. 2,115 08	

That leaves a balance due, as claimed on this statement, of \$2,115.08, which I might add, will go forward shortly.