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WILL REALIZE NOTHING FROM FARMERS BANK

Liquidator Says Proper Inspection Would Have Saved Much

KEELEY MINE NOW IS THE SOLE HOPE

Two Witnesses Give Valuable Information to Banking and Commerce Committee in Framing of New Bank Act.

Special to The Standard.

Ottawa, April 4.—The banking committee has made substantial progress in its work this week, and if it does as well next week there will have been accomplished no small part of the big task that is found in the revision of the Bank Act.

Geoffry Clarkson, the liquidator of the Farmers Bank, and Joseph Henderson, director of the Bank of Toronto, were witnesses today. Mr. Henderson not having concluded when the committee rose at six o'clock. After he had completed his testimony next week, representatives from the west will be heard along with some banking men from that part of the country. The week after next Sir Edmund Walker and other leading financiers will be heard.

Of the two witnesses today it was apparent that Mr. Clarkson's testimony bore more weight. He, from his position as an auditor and liquidator, was able to give some of the very information the committee has been seeking with regard to the weakness of the Canadian banking system and the reason why Canadian banks have failed. His statements with regard to the Farmers Bank were of particular interest. The committee gasped when he stated that there was not one asset of the Farmers Bank but would be the subject of trouble and litigation, and that the cost of winding up the defunct institution would be some $75,000.

"Will the depositors realize anything?" asked Duncan Ross, of West Middlesex.

"Not unless the Keeley mine produces something," was the answer of the liquidator, and the tone in which he said it hinted that there was nothing to be expected. Mr. Clarkson explained that in his opinion inspection would not have prevented the failure of the Farmers Bank but it would have made the condition of affairs known in time to prevent much of the loss that occurred.

A Banker's View.

Mr. Henderson, the second witness of today, has been with the Bank of Toronto, so that it is not to be wondered at that he saw the legislation through a banker's eyes and with an apparently firm conviction that the less interference with the banking business on the part of outsiders, than the government, the better. He saw no reason why bank charters should be limited to ten years. He would not limit capitalization, nor would he limit the amount of a loan to an individual. He saw no objection to loans to directors and did not see why directors should not fix the price of a new stock. He did not approve the suggestion that banks publish their list of securities.

The importance of the audit, Mr. Henderson said, he would not minimize, but he thought no external inspection could be as effective as that carried on by the bank itself, through its own officers. He quite appreciated the desire of satisfying the public, but doubted if a shareholder's auditor would realize his responsibility any more than do the directors. Assuming that the auditor was competent it mattered little by whom he was appointed.

Inspection Would Reduce Losses.

"You do not object to government inspection?" asked Mr. Cockshutt.

"No," replied Mr. Henderson.

"Would inspection do away with bank failures?"

"No. But it would have a tendency to reduce the losses."

"In your experience," asked Mr. McCurdy, "are there not generally improper loans leading up to the heavier losses that wreck the bank?"

"That is generally so," said the witness. "But the point I made is that usually the loss is sustained before the inspection is made."

Mr. Henderson said that Travers applied to the Bank of Toronto for a place before he went with the Farmers' Bank, but that he was not accepted on account of his record.

"Why did not the Bankers' Association report his incompetence to the government?" asked Major Sharpe.

"Suppose I had done something like that," answered Mr. Henderson.

"You would have got a writ for $30,000 damages," interrupted Mr. Northrup.

Speaking of external inspection generally, Mr. Henderson said that it would be effective only in so far as it was an improvement upon the bank's own inspection.

MONTREAL AFTER WEST INDIES LINE

Huntley R. Drummond Disbelieves Rumor that Contract Has Been Awarded to Pickford & Black.

Montreal, April 4.—"The West India Mail service must eventually come to Montreal, for this is the only Canadian port at which it can be made to pay, and that being the case, it might as well come here first as last," said Mr. Huntley R. Drummond, President of the Board of Trade today, discussing the report that the contract for this service had already been awarded to Pickford & Black, of Halifax. Mr. Drummond doubts the accuracy of the statement made that the contract has been awarded, for the reciprocity treaty with the British West Indies had to come up very shortly for ratification by the Dominion parliament, and in his opinion it seems unlikely that any contract would be awarded until the treaty was ratified.

The report originated from statements made by W. A. Black, of the firm of Pickford & Black, when he was met at the Windsor last week prior to proceeding to Ottawa. Mr. Black was then understood to say the contract for a fortnightly service between Halifax, St. John and the British West Indies had been awarded to his firm, who were in consequence about to place four new steamers on the route.

With regard to these statements Mr. Drummond went on to say that even should it prove to have been accurately reported, and be in substance correct, the Montreal Board of Trade, which recently sent an influential deputation to Ottawa to interview Premier Borden with regard to the contract, would by no means allow the matter to rest.

"Even should the contract have been awarded for this year," said Mr. Drummond, "the Montreal Board of Trade and others interested will continue the agitation to have Montreal made the terminal port of the service during the navigation season on the St. Lawrence."

CORRUPTION IN PORTUGAL

Rapidly Drifting Toward Reactionary Revolution—People Have Refused to Pay Increased Taxation.

(Special Cable to The Standard. Registered in Accordance with The Copyright Act.)

London, April 4.—Portugal is rapidly drifting towards reactionary revolution, the affairs of that country are in a shocking condition. In words of foreign diplomatists stationed at Lisbon, Portugal is now a monarchist country with an anarchist capital. The government seethes with corruption and rules by methods usually associated with the worst forms of despotism. Unscrupulous officials suck the treasury dry, the national credit is impaired, taxation has increased to such an extent that the people are refusing to pay, religious bodies are oppressed and persecuted, and men of high rank are serving long terms of imprisonment with the worst criminals among them being Don Jose Belmonte, great grandson of King John VI., of Portugal.

As a result adherents of the monarchy are increasing rapidly in number, the army and navy are honeycombed with secret societies, and officers who adhere to the republic are losing control of their men. Meanwhile the government seeks supporters among the socialists and anarchists against the growing wave of popular wrath.

J. P. MORGAN'S FUNERAL.

New York, N. Y., April 4.—Monday, April 14, probably will be selected for the day for holding the funeral services over the body of J. P. Morgan. The exact date had not been determined today and will depend upon the time of arrival of the liner France, which is bringing the financier's body here from Havre. The services will be held at St. George's Episcopal church, and the interment will be at Hartford, Conn., the same day.

LASHES FOR WIFE BEATER.

Toronto, April 4.—Thirty days with ten lashes at the end of the first ten days, was the sentence Magistrate Denison handed out to Peter Kastros, who pleaded guilty to abusing his wife because she used bad language.

JAPANESE TREATY BILL IS GIVEN THIRD READING

Pugsley Again Acts in Opposition To Laurier.

LIBERALS TORN BY WOULD BE LEADERS

Three Different Factions Developed in Party During Obstructive Debate on Bill which Had No Contentious Features.

Special to The Standard.

Ottawa, April 4.—The bill proclaiming Canada's adherence to the trade and navigation treaty between Great Britain and Japan was read a third time and passed, without division, by the Commons tonight, after two amendments, proposed by opposition members, had been voted down.

Liberals still showed the disposition to protract the debate in spite of the assurance of their leader, Sir Wilfrid Laurier, at the outset, that he approved of the measure and would not oppose it.

Hon. Frank Oliver and Hon. Wm. Pugsley both differed from Sir Wilfrid. The former wished to amend the bill by adding to the sub-clause providing that the treaty should not override the terms of the immigration act of 1910. He proposed to enact that the treaty should not affect existing legislation upon the subject of immigration or legislation in the future.

His proposal was voted down, and Mr. Pugsley came forward with a suggestion that the sub-clause should except regulations passed under the immigration act, in the past or future, from the operation of the treaty.

Mr. Guthrie, South Wellington, on the other hand was quite willing to see the sub-clause struck out of the bill.

The lack of unanimity among members of the opposition, and the futility of the proposed amendments were commented upon by the Prime Minister. Right. Hon. Mr. Borden showed that the right of Canada to control immigration was fully safeguarded by the bill, and that the measure was consistent with the policy enunciated by himself as long ago as 1907.

The preliminary proceedings were brief and the third reading of the Japanese Treaty was moved early in the afternoon. Frank Oliver moved an amendment that there be added to the sub-clause, providing that nothing in the immigration act of 1910 should be invalidated, a further proviso that the treaty should not interfere with any future amendment to the immigration act, or with any provincial legislation. Mr. Oliver said that Canada should be left free in these matters.

Hugh Guthrie said that the treaty would prevent Canada from making any amendment to the present immigration act. It was plain legislation, a gold brick to be handed to the people of British Columbia. Asked by Mr. Burrell, he said that he would be willing to see the safeguarding clause deleted from bill.

Liberals Did Not Safeguard.

Mr. Borden pointed out that Liberal members had accepted the treaty of 1894 without any proviso to safeguard Canadian control over immigration. The present government had adopted a proviso and now Mr. Oliver declared it did not go far enough. He held that the proviso gave Canada absolute control of the situation. The correspondence between himself and the Japanese consul directed the attention of the Japanese government to the provisions of the immigration act of 1910; these provisions did not discriminate against any country. The whole question was one of industrial competition and it was dealt with by the proviso. The government could not stipulate that the treaty be varied from time to time by provincial legislation.

Te debate was continued by Mr. Carvell and Dr. Beland and Dr. Clarke.

Opposition Sadly Rent.

Mr. Meighen pointed out that the opposition had split in three on the question. Sir Wilfrid Laurier approved the bill so far as it went. Messrs. McDonald and Carvell held that the correspondence between the premier and the Japanese consul general obliterated the sub-clause. Messrs. Oliver and Clarke held that the correspondence did not cancel the sub-clause, that the sub-clause was still in effect, but needed to be strengthened.

After speeches by Mr. McKenzie and Mr. Sinclair, the division was taken, the amendment being beaten by 76 to 36.

In the evening Mr. Pugsley moved to add to the immigration sub-section a further proviso that the treaty should not affect any immigration regulations now in existence, or to be made in future. Mr. Pugsley and Mr. Emmerson spoke in advocacy of this and Mr. Borden replied. The Pugsley amendment was declared lost on division and the bill was given its third reading.

The house adjourned at 10.30 o'clock.

MISS ZELIE EMERSON, IN JAIL FOR HER EFFORTS TO PROMOTE WOMAN SUFFRAGE, IS A GREAT WORKER

Little more than a year ago Miss Zelie Passavant Emerson was scrubbing floors, washing dishes, clerking in a department store and doing other hard work in Chicago. She went there from Jackson, Mich., in order to gain experience of the daily life of working girls and fit herself to serve the cause of woman suffrage. She was prominent in society in her own town and is said to have an income of $10,000 a year.

Her mother was the daughter of Dr. William Alfred Passavant, founder of the Passavant hospitals, in Chicago, Pittsburg and Milwaukee. Her father was Mr. Rufus H. Emerson, who was in the oil refining business in Pittsburg and Cleveland.

Miss Emerson is now serving a term of imprisonment in Holloway Jail, London, England, for her tragic efforts to promote woman suffrage.

SUFFRAGETTES COMMENCE A CAMPAIGN OF DESTRUCTION

Avengers of Mrs. Pankhurst Burn Large Country Residence—Loss Estimated at $12,500—Reginald McKenna Refuses Request of Mrs. Emerson to Free Her Daughter.

London, April 4.—The suffragettes, continuing their campaign of retaliation against the sentencing of Mrs. Emmeline Pankhurst, their leader to a term of imprisonment tonight succeeded in destroying another large country house by fire. As in most previous cases of the kind the residence, which was situated at Chorleywood, Buckinghamshire, was unoccupied, but was being prepared for the reception of a tenant. The owners of the building, a firm of contractors, estimate their loss at $12,500. Cards bearing the inscription "Votes for Women" and other suffragette mottoes were found on the ground. No arrests were made.

The police believe that some of the recent criminal acts attributed to the suffragettes, principally the attempts to destroy railway property was the work of men engaged by the women. All the railway stations and tunnels are being patrolled in order to prevent miscreants from damaging them.

Miss Scott-Troy, the California suffragette, tonight forwarded to Secretary of State Bryan, at Washington, the samples of "instruments of torture" used forcibly to feed suffragettes, including Miss Emerson. An accompanying note explains that the samples do not contain the metallic tip which all the women declare is used in the prison. Dr. Mansell-Moullin, whom Mrs. Emerson desires to visit her daughter in prison, also has written Secretary Bryan declaring that one of the greatest dangers of forcible feeding as practiced in the prisons, is the absence of proper antiseptic instruments.

Must Stay in Jail.

The British Foreign Office has not refused its good offices in requesting the Home Office to grant permission for Mrs. Emerson's own physician to examine her daughter, Miss Zelie Emerson, in Holloway jail, but informed the American embassy that there was little hope of success in the matter on account of the brusque tone of Mrs. Emerson's letter to Reginald McKenna, the Home Secreatry, who deeply resents the reflection on him contained in the missive.

Angered by the failure of Home Secretary McKenna to answer her letters and by the news of Secretary of State Bryan's intention not to interfere, Mrs. Emerson today laid seige to the Home Office. She called there at an early hour and found that Mr. McKenna had left for the House of Commons. Leaving a letter reiterating her request, Mrs. Emerson started for the House of Commons, where she sent a similar letter through a member of the House of Commons to Mr. McKenna.

Seating herself in the lobby, Mrs. Emerson declared she would not leave the house until she had obtained a definite answer by message or personally from the Home Secretary. Mrs. Emerson's seige was brought to an end when Mr. McKenna's secretary handed her a letter, which after acknowledging the receipt of her request said:

"I regret that I cannot grant your request to have your daughter examined by a physician of your own choosing. The condition of your daughter's health is satisfactory and gives no cause for anxiety.

"If your daughter continues to be of good behavior she will be released from prison on April 9th."

Following the receipt of this refusal Mrs. Emerson visited Dr. Mansel Moullin, whom she had chosen in the event of the granting of her request. She described the condition in which she had found her daughter, and the doctor thereupon stated:

"Serious and perhaps permanent loss of health will be the result unless your daughter be immediately released."

HON. CHARLES DALTON DONATES LARGE SUM FOR A SANITARIUM

Makes a Grant of $20,000 and $1,000 a Year for Ten Years—To Treat Tuberculosis.

Special to The Standard.

Charlottetown, P. E. I., April 4. — In the provincial legislature today Hon. Charles Dalton, member of the government, and father of the Island's black fox industry, out of which he has made over a million, announced that he would give $20,000 towards the construction of a sanitarium on the Island for the treatment of tuberculosis, and $1,000 a year for ten years for maintenance. It is to be open to all religious denominations and rich and poor alike.

Hon. Mr. Dalton was thanked tonight by the Board of Trade for his magnificent gift. The government will supplement it with a vote. This will be the first sanitarium on the Island.

MONTENEGRO IS CENTRE OF EUROPEAN TROUBLE

Will Not Be Robbed of Fruits of Hard Fighting

DEFIES POWERS TO FORCE OBEDIENCE

King Nicholas Willing to Accede to Demands But is Not Permitted by His Ministers—Union With Servia a Possibility.

Special to The Standard. Registered in accordance with the Copyright Act.

London, April 4.—Again has the European barometer fallen to stormy. A week since, Montenegro seemed disposed to yield to the representations of the powers and abstain from attempts to assert her claim to territorial concessions at the expense of Albania.

This pacific mood was short lived, and now this tiny state, with a population less than half that of Montreal defies Europe and has become the centre of the international situation. To get any grasp of the highly obscure position, it is necessary to understand that the internal condition of Montenegro is very unsettled, the position of King Nicholas being unstable.

During many years Montenegro successfully combatted the Ottoman Empire. War with the Turk was almost a religion. Now when the hated foe is beaten down, and after the country has lost nearly one-third of its army, the people see themselves threatened with deprivation of their share of the fruits of victory, and their anger is turning against the royal dynasty. To this feeling Montenegrins returning from the United States with democratic ideas have contributed. Nicholas is thus placed in a terrible dilemma. If he yields to European pressure he imperils his throne; if he defies it, he will be crushed, and will perhaps precipitate a union of Montenegro and Servia, towards which many of his subjects are disposed.

All this tends to stiffen the back of Montenegro. It is said that the King is willing to make terms with the powers, but is threatened with expulsion by his ministers.

But what will Europe do? There are already rifts in the combination of the powers, even in naval demonstrations. Austria sends a fleet. Italy joins unwillingly, her Queen being a Montenegrin princess. Simply because she cannot afford to allow Austria to demonstrate alone in the Adriatic. Germany sends one small ship. France hates the job and asks advice of Russia, while Russia openly hangs back. As for England, her people are indifferent, although if anything sympathetic with Montenegro, while the government is only intent to prevent European conflict.

But will the demonstration under the conditions above described avert that danger? It seems doubtful, and so the demonstration hangs fire to admit of the adoption of some other course.

Austria's policy seems short sighted, even stupid. By coercing the Slav States she plays into the hands of Russia, and lies up a store of future trouble for herself, with the chance that she may not succeed in averting the present difficulties.

The Triple Alliance has gone too far or not far enough. They have allowed the Balkan States to gain strength and have then made them hostile by interference. This is doubtless the reason for Germany's feverish development of armaments. Many experts are highly pessimistic regarding the situation, but a way out may be discovered.

AUSTRALIA AGAINST THE LABOR PARTY

People Beginning General Revolt—Ministers Have Become Mere Puppets—Socialistic Programme Scored

(Special Cable to The Standard. Registered in Accordance with The Copyright Act.)

London, April 4.—From Australia come reports of something like a general revolt against the domination of the labor caucus. This body practically rules the country, elaborating its policy in profound secret, and forcing the federal and state governments, where the labor party is in the majority to carry out their decrees.

Ministers have become mere puppets, dancing on strings pulled behind the scenes.

The public are beginning to rebel against the system. It has the advantage of maintaining perfect discipline, but offends the principle of individual liberty, and loses popular support by reason of its secrecy which results in people not being instructed in their affairs.

Added to this the socialistic policy has resulted in heavy expenditure.

The Fisher government has raised ninety million dollars more than did its predecessor, and has now a deficit of seven million dollars.

Several states are also suffering from financial stringency, and the three premiers are visiting England in search of money. These circumstances are inducing people to scrutinize the socialistic programme carefully, which has engendered grave doubts of the feasibility of the latest proposal by Mr. Hughes, the federal attorney general, to fix rates of prices and profits, especially as authors avoid answering the natural question: "How is it to be done?"

AUSTRALIAN CUSTOM FRAUD

Crown Prosecutor Charges Officials with Smuggling Chinese Into Country—Used Old Certificates.

Melbourne, Australia, April 4.—Charges that Australian customs officers were banded with Hong Kong smugglers for the evasion of the alien restriction act, were made today by the crown prosecutor when the trial of a number of customs officers, a Chinese interpreter and several Chinese residents on a conspiracy charge was begun here.

It was alleged by the crown that a company had been formed with headquarters in Hong Kong to trade in Chinese naturalization certificates Credentials were bought, it was charged, from returning Chinese who had no further use for them, and these certificates were turned over to Chinese desiring to enter Australia. In some cases it was alleged the same certificates were used over and over as fast as they could be returned to Hong Kong. The company, the crown prosecutor asserted, had obtained connivance of Australian customs officers, thus making the illegal entry of Chinese difficult of detection.

It was claimed by the crown that the alleged conspirators received a profit of more than $1,000 on each certificate issued.

CHINESE REPUBLIC MAY SOON FACE A CIVIL WAR

(Special Cable to The Standard. Registered in Accordance with The Copyright Act.)

London, April 4.—China seems in a parlous state which cannot be ignored. The large European interests in that country invest its internal affairs with painful importance. The disappearance of the Manchu dynasty seems likely to plunge the country into a long series of domestic difficulties which may lead to civil war, which, again, would inevitably result in dismemberment with its hideous international difficulties.

The opening of parliament is not unlikely to precipitate the crisis. On one hand, the Sun Yat Sen coalition party has a huge majority. On the other hand, Yuan Sha Kai, though in the minority has great tactical advantages and is guided by a very definite policy. Yuan is determined to establish himself as dictator, even if he has to use violence.

The assassination of Lung, and the virtual imprisonment of Tang, both democratic supporters of Sun Yat Sen, indicate that the ruling clique will stick at nothing. Added to this, General Chang, who is an imperialist, although in the service of the republic, watches near Pekin with a large army and supports the Yuan policy probably with the aim of advancing the interests of the deposed dynasty by creating discord among its opponents, or, perhaps, with the idea of becoming a second Cromwell.

The leader of the coalition may fear to come to Pekin in which case the parliament may not meet, or may meet in a form carefully expurgated by Yuan and Chang. The Chinese position is therefore critical and even menacing.