Council Authorizes Mayor To Secure Purchase Price From Street Railway Co.

Douglass, Greer and McKay Oppose Proposal, But Wenige's Arguments Win.

DISCUSS L. AND P. S. CREDIT

Council Insists On Direct Ruling From City Solicitor Meredith.

COUNCIL SUMMARY.

Mayor Wenige was authorized to secure a purchase price from the London Street Railway Company.

Work on the Brydges street pavement in the Industrial Area was deferred indefinitely.

The request from the L. and P. S. Railway for further credit at the banks was referred back to the finance committee for further consideration.

A vote of the people was authorized for December next upon the proposal that the annual Western University grant remain fixed at $55,000 for the next ten years.

The board of works recommendation that the tender for iron castings go to the Canada Iron Foundries of St. Thomas was rejected and the entire question sent back to the committee for further consideration.

The City of Toronto will be asked for all available information as to their street railway purchase arbitration, cost, etc.

All proposed paving projects for 1924 on streets where the street railway company operates, were left in abeyance pending an immediate conference with the company authorities.

The finance committee was authorized to call for new tenders for the sale of the old registry office.

An offer from the Service Truck Company to sell for park purposes certain ground along the south branch of the river, was referred back to the board of works.

John Cunliffe's appointment as general manager for the housing commission was ratified.

E. F. Houghton's appointment as city tax collector was ratified.

City Treasurer James Bell was authorized to borrow for the city $548,000, pending sale of certain London debentures.

Ald. John Greer introduced legislation to amend, at the next session, the procedure bylaw, whereby no mayor can suspend any employe without the consent of chairman or committee.

It is Mayor Wenige's opinion that the city council has no power to establish a line of credit at the banks for the London and Fort Stanley Railway Commission, and at last night's session he reported that City Solicitor T. G. Meredith has advised him to that effect.

When questioned as to past performances, the mayor stated that the city solicitor's explanation had been that while an illegal precedent had been established in this regard, succeeding councils had followed suit "just because it had been done before."

The councillors were desirous to have this information more direct from the city solicitor, and when the mayor threatened to rule the annual request from the L. and P. S. as being entirely out of order, Chairman Leonard Douglass of the finance committee, moved the problem back to that committee, pending further detail.

"This is all out of order," Mayor Wenige submitted. "The city council has absolutely no power to arrange any credit for the L. and P. S."

"Where is your authority for that opinion?" queried Ald. Douglass.

"The city solicitor," responded Mayor Wenige.

"I would like to see it in writing," urged Ald. Douglass, while Ald. Greer thought that the members of the finance committee should have received a written opinion from the city solicitor. He warned that the request for credit from the L. and P. S. was a serious matter, and the fate of the road might hinge upon their action. Ald. Douglass reminded the mayor that the city solicitor's opinion was sometimes at fault.

Mayor to Get Price.

Ald. Douglass found two supporters in his opposition to the proposal that Mayor Wenige secure a purchase price from the London Street Railway—Ald. John Greer, chairman of the board of works, and Ald. Frank McKay. Ald. Douglass did not consider that the time was opportune to open any negotiations with the company. Let the company come to the city with its offer was the suggestion from Ald. McKay, who reminded that the company had offered the purchase already.

In reply to Ald. Greer, the mayor was most emphatic in his declaration that he had no recent offer from the company to sell the road for $1,400,000.

Ald. Greer stated that he had heard upon good authority, and that Ald. Shaw would likely support him in that respect, that the company had recently made that offer, the company stated to include what the company already owes the city, said to be about $175,000. "I have this on the best authority," he stated.

"No price was ever mentioned that I know of," the mayor stated. "There is absolutely nothing to it as far as I know."

"Will you ask the company, then," persisted Ald. Greer, "if they ever made that offer?"

The mayor stated that this question would come up at a conference with the company officials within a few days. Alds. Douglass, Bottrill, Greer and other members were anxious that this meeting be held as soon as possible. Mayor Wenige promised "in three or four days," but firmly declined to be a party to Ald. Douglass' suggested time limit of ten days. He was confident that a price would be secured in a month.

May Get New Tenders.

Members of the board of works were under fire from the finance committee when their recommendation to let their iron casting contract to a St. Thomas firm was brought in, although Ald. Greer, supported by Ald. Hayden, refused to support this move. It was their contention that the work should remain within the city. The entire question was finally referred back to the committee, and there is a possibility that new tenders will even be called for, although a move in that direction was defeated last night.

Ald. John Anderson wanted to be sure that other London firms had been consulted as well as the Wells Company, selected by the committee at a previous meeting. Ald. Hayden was emphatic that all had been considered, pointing out that he also had opposed the contract going out of the city.

Ald. Drake recommended that they call for new tenders. This was frowned upon in all quarters. Upon request from Mayor Wenige, the city engineer reported that the difference in wages between the companies at issue would be about one cent per pound. Ald. Hayden submitted, however, that the manufacturers of other commodities and necessities must also be considered as well as the labor involved.

When Ald. McKay seconded the motion that they call for new tenders and confine their bids to London firms only, Ald. Douglass warned that this might be setting a dangerous precedent.

Ald. McKay couldn't understand why they couldn't exclude other dealers in this instance when they excluded outside clothiers from bidding in on the contract for the firemen's and policemen's uniforms, etc.

Ald. Allen Towe stated that if the council called for new tenders he would lose confidence in the members who supported such a measure. Such procedure would resemble a "joke" more than business, he charged. He stated that London union men were employed in the St. Thomas concern in question.

Ald. Ted Warren, Ald. Frank McKay and Ald. Gordon Drake, all from ward three, were the only ones to support the measure to call for new tenders.

Discuss Street Railway Question.

The resolution to give the work to the St. Thomas firm encountered defeat, with but four supporters, Ald. Douglass, Towe, Bottrill and Mayor Wenige.

The council's permanent feature, the street railway question, claimed its customary major portion of the evening's discussion and many tentative proposals were offered. While an extensive paving program was mapped out, it was decided to leave for special discussion the problems affecting streets where the railway operates.

With regard to the paving of the track allowance on the latter thoroughfares, Ald. Greer thought that the city's solution in sight was to advise the company to work, bill the company, then sue in the event of non-payment and collect in the courts.

Ald. John Greer questioned Mayor Wenige if Relief Inspector J. W. McCallum had been dismissed by the finance committee. Ald. Douglass reported that such was the case. Mayor Wenige protested, maintaining that their resolution embodied the agreement "temporary."

"I did not understand it that way," Ald. Douglass stated, and suggested another vote of the council. Mayor Wenige promised to rule such a motion out of order. Ald. McKay recalled that he had moved the resolution reinstating the inspector and that his meaning has been a reinstatement pending an investigation. When the records were consulted by City Clerk Baker it was found that Ald. McKay's version had been correct, so far as the minutes of the meeting in question were concerned.

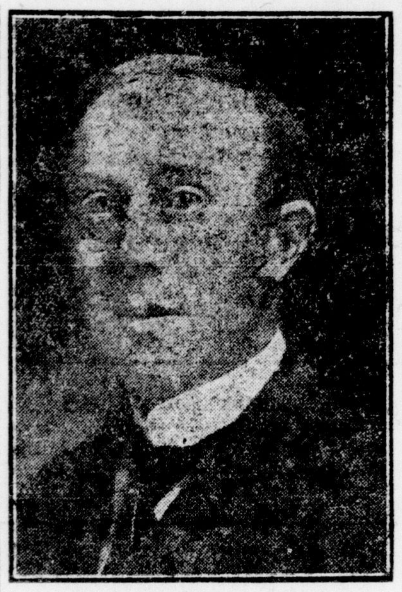
Will Submit Report.

Ald. Douglass asked for a report upon the L. & P. S. employees residing in London. Mayor Wenige stated that this matter was under the consideration of the railway administration, and that a further report would be brought in after inquiry to ascertain if it was possible to have certain of them move into London without impairing the efficiency of the road.

Ald. McKay reported that he had been informed of a supposed sign at the L. & P. S. offering work at 25c an hour. He wondered if this was correct. He understood that the C. N. R. was paying such wages, but he would be glad to hear that the city was not following that lead.

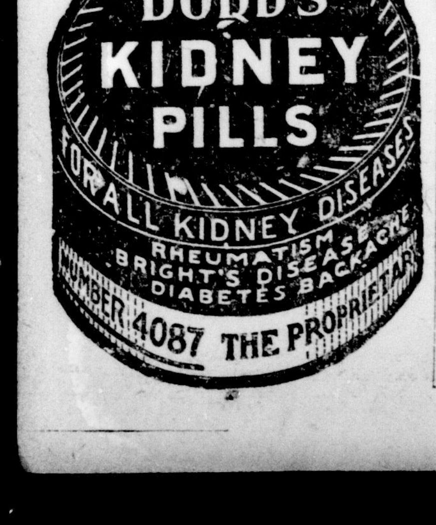
Ald. McKay moved, Ald. Douglass seconded, and it was passed that the city of Toronto be asked to forward data concerning their street railway purchase arbitration, the amount paid the members of the board, the number of days taken, the amount asked by the railway when arbitration proceedings opened, the amount offered by the city and the amount defined by the arbitrators. Ald. McKay sensed that this information would be valuable here for comparative purposes before the end of the year.

Ald. John Greer served notice of motion that at next session he would move to amend the procedure bylaw whereby any mayor would be unable to suspend any city employee without the consent of the chairman, or in case of a disagreement, without the consent of the members of the committee having jurisdiction over the employee in question.



SPEAKS AT TORONTO

H. B. Beal, principal of the local technical school, addressed the meeting of the Ontario Educational Association in the Queen City yesterday.



ONTARIO PREMIER PROMISES FINISH OF HOME WORK

Changes in School Curriculum Will Be Made During Summer.

OFFICERS ELECTED

Canadian Press Despatch.

Toronto, April 22.—Changes in the curriculum of the public schools of Ontario, which will lessen the pressure upon the children, eliminate homework to a great extent, and make the educational course more nearly an equipment for life, were announced tonight by Hon. G. Howard Ferguson, minister of education and premier, in speaking before the general meeting of the Ontario Education Association. While there are many changes on the way, the premier was not able to make any definite announcement as to details, but he stated that the definite changes will be prepared in time to be presented to the teachers during the summer holidays, and he trusted the teaching body of the province would give the new system a fair trial for one year at least to see how it would work out.

Another interesting feature was the statement of Frank Cody, superintendent of the Detroit schools, to the effect that during the last year 2,000 children from Ontario have been admitted to the schools of Detroit. The parents of these children had crossed the border to make their home in Detroit.

Officers Elected.

The nomination of officers for the coming year resulted in the election by acclamation of Dr. A. H. McDougall of the Ottawa Collegiate, as president of the Ontario Educational Association. There were three nominations, Robert Wilson Dean, who has held the post for 44 years: A. E. Bryson and Charles G. Fraser. R. M. Speirs was re-elected treasurer by acclamation.

"The public schools form our biggest problem," Hon. Mr. Ferguson declared, "for they fill 90 per cent of the school needs of the province."

During the afternoon session H. B. Beal, principal of the London Technical School, gave a paper on "Vocational and Industrial Classes," dealing with also vocational guidance. He emphasized that as professions were overcrowded, a fair share of the brains of the rising generation should be directed towards productive occupations.

Inefficient Teachers.

There are many changes which could be made in the system of training teachers for the public schools, according to a number of opinions expressed at the inspectors' section, the prevailing opinion being that a large number of the teachers are unable to teach grammar, arithmetic and geography in particular, because they do not know it themselves. As was pointed out, it is quite a common thing for an inspector to step into a school and find a teacher who uses ungrammatical expressions in the teaching of classes, and who is unable to solve simple and practical problems in arithmetic.

Dr. Maxwell of Essex said there were a lot of teachers "who keep school but who do not teach."

"First of all, we need a lot of revolution in grammar and the way some teachers teach it now is so common that it is all nonsense." The two subjects which Dr. Maxwell declared many rural teachers cannot teach are grammar and arithmetic. As to the latter, he said he tried it out a number of times by presenting to the teachers some simple problem concerning the everyday life of the people in the community, and he had found that the teachers could not find the answer to the questions.

"I have found as many as two dozen teachers who could not do these simple problems," he declared. "And it is a disgrace, and the sooner the situation is corrected the better it will be."

WARRANT ISSUED FOR EX-PREMIER

Bail Is Accepted in Case of Sir Richard Squires of St. Johns, Nfld.

Canadian Press Despatch.

St. John's, Nfld., April 22.—Warrants were issued this afternoon for the arrest of ex-Premier Sir Richard Squires, Hon. Alexander Campbell, M.D., former minister of agriculture and mines, and John T. Meaney, ex-controller of liquor. Bail was accepted in all cases.

Dr. Campbell has been adjudged guilty of using public funds to pay personal expenses, while Sir Richard Squires and Mr. Meaney were declared to have misappropriated funds of the department of the liquor controller. Bail was accepted in all three cases, Sir Richard's bondsmen being Harold McPherson, managing director of the Royal Stores, Limited, and H. M. Winter, son of Sir Marmaduke Winter, a member of the Warren executive.

Jewels Given To Veterans

Special to The Advertiser.

Chatham, April 22. — Twenty-five-year jewels were presented to seven members of an important Odd Fellows' function held tonight under the auspices of Chatham Lodge, No. 29. The recipients were Fred. W. Parkyn of Detroit, James Keats, Junior, R. H. Martin, J. E. Oldershaw, J. A. Pike, William J. Brown and Herbert Avichouser of Chatham.

FORMER ITALIAN PREMIER'S SON HURT IN SWORD DUEL

Associated Press Despatch.

Naples, April 22.—A duel with swords was fought here between Vincenso Nitti, son of Former Premier Nitti, and Giulio Francesconi, in which Nitti was painfully wounded in the right arm.

The duel was the outgrowth of an article published by Francesconi in the Fascist newspaper Mezzo Giorno, which Nitti considered an insult to his father. The duel lasted for ten assaults, when Francesconi ran Nitti through the arm. Thereupon the surgeons in attendance stopped the fight.

SWEETHEART SLAYER IS TO BE DEPORTED

Canadian Press Despatch.

Hamilton, April 22.—According to information here, George King, who some months ago shot and killed his sweetheart, Erie Johnston, and who was sent to Guelph Sanitarium after a jury at his trial for murder adjudged him insane, will be deported to England shortly.

WOULD INCREASE RATES OF STOCK COMMISSIONS

Associated Press Despatch.

New York, April 22.—Members of the New York stock exchange, it was learned, are engaged in a lively controversy over a proposal to increase the maximum commission rates on stocks from $15 to $17 a hundred shares.

TWENTY WHEAT CARRIERS CLEAR AT FORT WILLIAM

Canadian Press Despatch.

Fort William, April 22.—Twenty boats cleared today, all with wheat, nine for Montreal and five for Buffalo, and the others for bay ports. They carried in all 3,396,000 bushels of wheat, the C. O. Jenkins taking the largest cargo 325,000 bushels.

BRITISH ROUND THE WORLD FLIER ARRIVES IN PERSIA

Associated Press Despatch.

Bunder Abbas, Persia, April 22.—The British aviator, Stuart MacLaren, arrived here this evening in his plane from Bagdad.

LONDONER IS DEPORTED BY AMERICAN AUTHORITIES

Special to The Advertiser.

Detroit, April 22.—The local federal authorities today deported William Livermore, the 22-year-old London man, who was arrested here last night with Florence Trell, 19, of Buffalo. The couple had been maintaining a "love nest" at 2614 Hudson avenue, according to U. S. immigration officials. Livermore is said to have admitted deserting a wife and child in London. The girl will be sent back to her home.

POISON CLAIMS CHILD.

Canadian Press Despatch.

Arcola, Sask., April 22.—Poison consumed in food last Saturday morning claimed the second member of a family of nine when eight-year-old Catherine Mitchener succumbed today under circumstances similar to those surrounding the death of her brother, Robert, on Monday. Of the remainder of the family, one is still dangerously ill, while four others are suffering from ill-effects of the poison.

Who is the Most Popular London Business Girl?

Loew's Theatre and The Advertiser want to choose by public ballot the most popular business girl in London.

GIRLS WHO ARE ELIGIBLE.

Any girl, of any age, employed in office, factory or store in London is eligible. She may be nominated by friends or by herself. All names must be given in writing to Manager Fred Jackson of Loew's Theatre.

$100 IN PRIZES.

The Advertiser is offering $100 in cash prizes. The most popular girl will receive fifty dollars; the second and third on the list, twenty-five dollars each.

HOW TO VOTE.

Ballot forms will be given away at every performance in Loew's Theatre until Saturday, April 26. During the week of April 28 all ballots are to be deposited in the ballot boxes at the theatre, and a special film will be shown every day giving glimpses of London girls in offices, stores and factories.

Results of the voting will be announced on Wednesday, May 7.

PROFITS OF HOME BANK PADDED $800,000 IN '22

G. T. Clarkson Testifies in Probe Into Failure of Financial Institution.

TELLS OF HEAVY LOSSES

Bank's Liabilities Over Assets At Time of Close Exceeded $9,000,000.

Canadian Press Despatch.

Toronto, April 22.—In 1922, the year previous to the suspension of the Home Bank, the profits of the institution were overstated by $800,000, in the report to the Dominion government, according to the evidence of G. T. Clarkson, the liquidator, here today at the inquiry before Justice McKeown, sitting as a royal commissioner. In 1921 the profits were "padded" by $155,000, said Mr. Clarkson. The excess of $9,000,000 of liabilities over assets, which exists at present, said the liquidator, was in addition to the loss of capital and reserves, which had been wiped out.

Sir Thomas White, former minister of finance for Canada, presented the correspondence between himself ond others on Home Bank affairs during his regime as minister of finance. These letters are in addition to those already before the commission, which were on the public file of his department. Sir Thomas will be cross-examined on these letters at Ottawa on Thursday. The commission sits here tomorrow morning, and goes at noon back to Ottawa for the continuation of the investigation Thursday.

Mr. Clarkson, examined today as to what should have been the attitude of an auditor called to examine the bank accounts in 1916, admitted that he should have found many accounts to have been "serious." He pointed out, however, that it was easy to state in the light of after-events what an auditor should have done, and therefore he did not feel bound to give a judgment.

It developed during the evidence of Mr. Clarkson that many loans were made by the bank as far back as 1916 from which not a cent of interest was collected, and yet in the report to the government this interest was capitalized and added as profits to the bank during the year. Mr. Clarkson told of various years where the reported statement showed bank profits which were really reduced beyond the vanishing point by the interest which had not been paid. Much of this interest was not paid when the bank closed its doors, and is now a liability against the assets of the bank.

Crerar's Letters Read.

Letters from Hon. T. A. Crerar to M. J. Haney, when the latter was president of the bank, showed that Mr. Crerar and other western directors of the bank had protested against the appointment of the late J. Cooper Mason as general manager. The directors in the west wanted Mr. McHaffie appointed general manger. Mr. McHaffie, it was shown later, protested to the minister of finance about the conduct of the bank. Evidence was also submitted to show that the deposits grew from $9,554,000 in 1916 to $15,247,000 at the time the bank closed, exclusive of government deposits.

Mr. Clarkson gave evidence concerning the $39,646 loan to C. A. Barnard of Montreal, one of the directors. Mr. Barnard controlled the Fidelity Trust Company of Montreal. No interest was paid directly, but there were stocks handed over. A note of the Fidelity Company was given for $262,500, and President Daly of the Home Bank borrowed $182,000 from United States banks and deposited most of it with the Fidelity Company. There were other transactions to cover the amount resulting in a loss to the bank.

"There was over $200,000 lost on accounts which were reported to Sir Thomas White as being all right?" asked R. J. McLaughlin, K.C.

"That was just a play on words," replied Mr. Clarkson.

Mr. Clarkson said that T. L. O'Connor, who was secretary to Mr. Daly, president of the bank, borrowed $130,000 from the bank. This had never been returned.

Returning to the discussion of the Barnard transactions Mr. McLaughlin suggested that the loss to the Home Bank caused by the continued dealing between the bank and Mr. Barnard, one of the directors, and the various interests of Mr. Barnard, was about $1,300,000. Mr. Clarkson said that was approximately correct.

Deceived by Returns.

In 1910 the Home Bank had stock in the Chicago-Milwaukee electric railways. The railway went into the receivers' hands, but the bank kept the stock on its books at face value, although it had fallen badly. Mr. Clarkson said the loss was $450,000, but it was not carried on the Home Bank books as a loss.

The government and public had been deceived by the returns made in this respect.

A. C. Frost in 1910 wanted money for British Columbia timber limits. He secured a loan of $700,000 from the Home Bank and took off their hands some of the Chicago-Milwaukee Railway Company stock at a book value of $500,000. Mr. McLaughlin said that evidently Frost paid $500,000 more for the Chicago-Milwaukee bonds than they were worth in order to get the loan from the Home Bank.

Mr. Clarkson recalled that Frost had told him that he had hoped that a reorganization would make the bonds worth while.

No real interest had been paid on the $700,000 loan to Frost, said Mr. Clarkson, from its inception to the present day. There were cross-entries in the books concerning the interest, but no actual money was paid for the use of the $700,000.

Lost Heavily in Deal.

Mr. Clarkson said the bank had put over four million dollars into the Frost accounts, including the Fort McNeil Timber Company and the Western Canada Pulp and Paper Company. He said there was a loss to the bank of over two millions on these transactions. Mr. Clarkson said he would not discuss the value of assets in these companies, and was not pressed to disclose their value.

He said that in 1920 when the bank reported to the minister of finance that the Frost advances were reduced, that they were really increased by $418,000. Dealing with the Pellatt transactions, Mr. Clarkson said that many of the securities in the hands of the bank consisted of industrial stocks and shares in land companies.

"At one time," said Mr. Clarkson, "these concerns were undoubtedly solvent, but the lands have been held too long. There has been little demand for them. Their value has been seriously impaired so far as the obligations for bank advances are concerned."

"The fact is," said Mr. McLaughlin, "these transactions were not good banking."

Mr. Clarkson concurred.

Profits Never Earned.

Mr. Clarkson said that in 1915 the Home Bank reported $276,940 to the government as profits which were never earned. In 1916 the bank reported $133,406 earnings while there was $210,000 interest reported in the credit which was not collected. In 1917 there were earnings of $142,000 reported, although interest to the amount of $205,000 was not collected. In 1918 there was $228,963 shown as profit, although the actual profit was $167,857. There was a discrepancy also in 1919.

In 1920 the amount of profits shown by the bank in its report was $268,895.

Mr. Clarkson discovered they should have been reported at $205,760 which would include some unauthorized writing up of interest and real estate.

"In 1921," declared Mr. Clarkson, "they padded the profits by $155,000." That year continued the witness there was a writeup of $238,000 on uncollectable interest. The actual profits were $60,271 so that the uncollectable interest written up amounted to four times the real profits.

"So that in that year they padded the profits in all about $400,000 at a time when they were reporting to Sir Henry Drayton, minister of finance, that everything was allright?" said Mr. McLaughlin.

"Yes," said the liquidator. "In 1922 the bank reported a profit of $275,000 while there was an annual loss of $156,000, said Mr. Clarkson.

"The profits were that year padded by nearly a million dollars?" asked Mr. McLaughlin.

"Overstatement is better," suggested Mr. Lafleur.

"I would say $800,000, as they wrote off $200,000," replied Mr. Clarkson.

"I suppose there was an audit each year?" asked the commissioner.

'Yes."

Total Loss $9,500,000.

Mr. Clarkson told of the deposits in the bank. On May 31, 1915, there were deposits of $9,554,000; 1916, $10,133,000; 1917, $12,600,000, exclusive of $4,000,000 government deposits. At the time the bank suspended there was $15,247,000 on deposit exclusive of government deposits.

Mr. Clarkson said the total losses of the bank were $9,000,000 or $9,500,000 besides the capital and reserve funds of the bank. He thought that from $7,500,000 to $7,750,000 had been lost since 1916. One million dollars had been lost in small western investments.

It was explained that Sidney Jones, one of the creditors of the bank, had declined to appear before the commission unless compelled to do so, as he is now under indictment. It was explained that he will not be asked questions which would prejudice his case before the courts.

G. T. CLARKSON,

liquidator of the Home Bank, who declared at yesterday's probe into the bank's affairs that the total losses of the institute would amount to $9,500,000. Bank statements to the government in 1922, he stated, had been "padded" by $800,000.

IMPERIAL BANK HEAD DIES AT ST. CATHARINES

Canadian Press Despatch.

St. Catharines, April 22. — Lieutenant Colonel William Hamilton Merritt, M.D., vice-president of the Imperial Bank of Canada, passed away at his home, Rodman Hall, here at 10:30 o'clock this morning after an illness of several weeks, due largely to his experiences overseas, he having spent six months in France in charge of the 14th Battery in the Dickiebush sector. Through the latter part of the war he was in charge of a section of the military hospital at Orpington, England.

DIED IN HOSPITAL.

Windsor, April 22.—Grace E. Baldwin, fifteen-year-old daughter of Mr. and Mrs. E. Gilbert Baldwin of Harrow, died tonight at Grace Hospital, Detroit. She had been ill a short time. The body will be taken to Harrow Wednesday.