

Tuesday Mar. 25th

MYSTERIOUS SNYDER JUST A CONVENIENCE FOR BLIND BOND KING

Harris Pocketed All the Profits, Totalling \$25,000 or \$30,000—Bought at 90 From Insurance Companies and Sold at Par to Peter Smith, Taking No Risks

INTRODUCED HIMSELF TO DRURY TREASURER

Testifying last night before the Public Accounts Committee of the Legislature, George R. Harris, bond broker, of Hamilton, told of how, in 1921, he went into the office of the then Provincial Treasurer, Hon. Peter Smith, absolutely unknown, and negotiated a transaction whereby he sold at par succession-duty-free bonds which he knew at the time he could acquire at a price around 90.

Mr. Harris, under questioning by various members of the committee, also told the story of the Provincial Securities Company, which, he said, was himself, although it was supposed to be Charles Snyder. Snyder, he explained, was a clerk in his brother's office in The Mail and Empire Building, and Snyder gave Harris power of attorney to sign cheques in the name of the Provincial Securities Company. All the letters written and signed "Charles Snyder" actually were dictated and signed by George R. Harris, witness said, and when asked how it was the signatures seemed to vary from time to time he replied that perhaps he had used a different pen.

Profits \$25,000 to \$30,000.

Harris said the profits of the Provincial Securities Company amounted to between twenty-five and thirty thousand dollars in the few months in which it was in existence. He had divided the profits with no one, he testified, and Snyder had received, all told, only about \$300 or \$400.

None of his partners in Hamilton had received any of the profits, Harris said. Asked to produce various books and documents in connection with the Provincial Securities Company, Harris said he would do so if they were "available." The last he had seen of them they were in his office in Hamilton, he said, and he already had looked for them for the meeting last night and was unable to find them. He was ordered to make careful search and produce all documents possible.

Tall, Dark and Cool.

Tall, dark, with hair slightly greying, Harris, absolutely self-possessed and equable in temper, told his story from hours of questions from various members of the committee. He said

that the firm in Hamilton of Morgan, Dean & Harris in 1921 was in a "state of disorganization" and that he had read in the papers of the dealings of Aemilius Jarvis & Co. in succession-duty-free bonds and he had decided to see if he himself could make any money.

He made a visit to Toronto, he testified, and calling on the offices of the Canada Life Assurance Company and the Manufacturers Life he produced the card of Morgan, Dean & Harris and asked for the price of succession-duty-free bonds. He was told, he said, that these companies would sell these bonds to them at the book-price value, which was then below par.

Harris then told of visiting Queen's Park and calling on the Provincial Treasurer, Hon. Peter Smith.

Introduced Himself!

He was introduced by no one, and Mr. Smith did not know him and he did not know Mr. Smith, Harris told the committee. Asked what the conversation with Mr. Smith was, Mr. Harris said he asked him if he "still was in the market for buying succession-duty-free bonds." Mr. Smith told him he was still open to offers, Mr. Harris said. Asked by the Provincial Treasurer in what capacity he appeared before the Provincial Treasurer, Mr. Harris said he appeared there as the Provincial Securities Company.

Returning downtown, Mr. Harris then, he explained to the committee in answer to questions, wrote a letter to Mr. Smith, to which reference already has been made, with the letterhead typewritten, with the address as a room in The Mail and Empire Building, and with no date on the letter. Mr. Harris explained to the committee that the omission of the date was an "inadvertence"; that he had overlooked it purely by chance. This letter made an offer to the Provincial Treasurer to sell succession-duty-free bonds at par, with par of exchange and with accrued interest. Mr. Harris said he could not recollect how long it was after he had seen Mr. Smith in his office that he had written the letter.

Does Not Recall Details.

Neither could Mr. Harris explain to the committee in what form this offer to sell these bonds had been accepted by the Provincial Treasurer, whether by letter or by telephone. Pressed on this matter, he said that no one had telephoned him, but that he himself might have telephoned to the Provincial Treasurer's office.

Under questioning by Hon. Charles McCrea, Minister of Mines, Mr. Harris was asked if the acceptance of his offer had been received from the Provincial Treasurer before he had bought any of the bonds from the Manufacturers' Life.

"I think so," said the witness.

The Provincial Securities Company was formed of Charles Snyder, who was a draftsman and clerk in Harris's brother's office. "Snyder had no interest in the firm, but Snyder was the firm so far as the bank was concerned, and I had

power of attorney," witness said. Asked why Snyder was in the firm at all, Harris said he had made what arrangements he had as a "convenience" to himself.

Having obtained power of attorney from Snyder, witness said he made arrangements then with the Bank of Toronto to finance the transactions. He did not think that the power of attorney to himself from Snyder had been signed in the bank; as long as it was signed, it made no difference where it was signed, Harris said. When he went to see the Provincial Treasurer he owned the bonds he was offering to sell in the sense that he had an option on them. Later he explained that he had been informed by the insurance companies that these bonds would be sold to him at their book value.

Mr. Harris showed the only surprise of the evening when Mr. Price, reading from blue book returns, showed that he had paid the Canada Life Company \$55,845.13, when the book values showed them to be \$50,814. Mr. Price asked him if he had known that the Canada Life had "put it over him" for \$5,000. Mr. Harris replied that that was the first intimation he had that it had done so.

The bonds from the Canada Life had been bought at 91.38, witness said, and he had made 8.43 points on the transaction. "And you didn't pay a cent yourself?" he was asked. "No, sir. Why should I?" replied Harris. The bonds from the Manufacturers' Life were bought at 85.29—about \$34,000, in round figures. He sold these bonds, he admitted, at about \$39,000, making a profit of about \$5,000.

Delving into blue book returns, the Provincial Treasurer showed that these bonds were returned as having been sold to Morgan, Dean & Co. "You bought these in the name of Morgan, Dean & Co., but when you went to sell you sold to the Province under the name of the Provincial Securities Company," said Mr. Price.

No Delay in Cashing Cheques.

In all cases cheques had been cashed or deposited in the bank the day they were received, the evidence showed, and vouchers in many cases were signed for the cheques at the Provincial Treasurer's office. Sometimes these vouchers were signed by Snyder, and on one occasion at least by G. M. Wehrele. Asked who Wehrele was, Harris said he had no idea, unless he was a messenger from the bank. Finally, he said he thought maybe it was a stenographer in his brother's office in The Mail Building, where Snyder worked.

State Loss by Province.

Before Mr. Harris was called to the stand Provincial Treasurer Price called William N. Douglas, Chief Clerk in the Provincial Treasurer's Department, who produced and identified several documents bearing on the case. Mr. Douglas said he had computed and compiled the cost of the securities bought from the Provincial Securities Company and those bought in, of similar kind, and at practically the same time, by the Bank of Montreal for the Government. The total loss to the Province in the deals, he said, was \$51,181.85 on purchases totalling \$42,850. He did not know who Snyder was, and never had seen him, to his knowledge, witness said.

Charles Mathews, Deputy Provincial Treasurer, went over all the cheques issued to the Provincial Securities Company, which were endorsed either by the guarantee of the Bank of Toronto or Charles E. Snyder by his attorney, George Harris. On one occasion the signature was Charles E. Snyder, and sometimes the name of the attorney was placed as G. Harris. Harris, in his evidence, said he had endorsed the cheques under the power of attorney given him by Snyder.

Harris said that a week ago he knew that Snyder was in Florida. He did not know whether Snyder had any relatives in Toronto or not, and did not know where he was now, he said. The present head of his firm in Hamilton was his father-in-law, A. G. Browning, K.C., who had been appointed prosecutor of O. T. A. cases by Mr Raney