

Thursday, April 17th

no record at all. No record whatever from any of the companies or from Harris' private account," said Mr. Nash. "There is one account I have not examined, and that is the bank account of Mrs. Harris. Mrs. Harris was a stockholder in the Morgan Dean, Harris & Mulvaney Company. In the Browning, Harris & Northey Company she appears as a partner of Northey, not George R. Harris. We have not examined her personal account."

There were no records of the drawing accounts for 1921, but for 1922 the private ledger of Browning, Harris & Northey showed that in January Mrs. Harris drew \$3,826, and Northey, \$1,738; in February Mrs. Harris drew \$700 and Northey \$800; and in March Mrs. Harris drew approximately \$3,000 and Northey \$1,800 approximately. On Dec. 30 of that year, Mr. Nash continued, the sum of \$13,443 was charged against Mrs. Harris's capital account, and the sum of \$14,746 against Northey's capital account. The firm over the whole period made losses, Mr. Nash testified. The profits they made in Provincial bonds were more than offset by losses in other transactions.

"In the months of July, August, September of 1922, and part of October," Mr. Nash continued, "the Browning, Harris & Northey Company kept a Province of Ontario special account dealing with the issues maturing in 1965 and 1947. The transactions through these special accounts were not reflected in the books, except that certain profits made on these maturities were credited from time to time to the two partners. These two ledger sheets, I am informed by Mr. Harris, really had nothing to do with the Harris & Northey Company. These accounts were never audited by the auditor of the company." Mr. Harris offered no explanation, said Mr. Nash.

Large Advances Made.

Referring to the Caldwell account, Mr. Price showed that large advances were made in the spring of 1922, over a year after Harris made his money from the Provincial Securities Company.

Mr. Nash said he could not say whether Harris advanced money to Caldwell, except that on April 20 there was a notation, "Mrs. Harris," and the inference was that Mrs. Harris advanced the money, and it was charged up to her account.

On Dec. 30, 1921, the security ledger of Browning, Harris & Northey showed, purchased for Mr. Browning, £6,000 worth of Duluth Western & Pacific bonds, and on the same date the sale of the same stock showed a loss for the company of \$5,840. Mr. Harris could give no explanation, said witness. Answering a question as to what the transaction would indicate, Mr. Nash said it would indicate that the company desired to show a loss of over \$5,000.

Earlier in the proceedings a motion had been read by Mr. Haney asking Mr. Biggs to testify, and Mr. Biggs had risen in his place and said he was willing to testify at any time. He now asked permission to make a statement.

Mr. Biggs's Statement.

"The principal reason why I want to make a statement at the present time," said Mr. Biggs, "is in connection with the holding or purchase of stock in Morgan, Dean, Harris & Mulvaney, where my wife's name has been brought into question. In the first place, my transactions with Morgan Dean, Harris & Denmark have been absolutely clean. I have been doing business with those firms in partnership, if my memory serves me right, from 1910 or 1911; privately doing business, the same as any other gentleman in this room is doing business with brokers.

He became associated with Harris during the Victory loan campaign, Mr. Biggs said, and when the firm of Morgan, Dean, Harris & Mulvaney was formed he was approached by two gentlemen, later directors of the company, to put some money in it. He bought \$10,000 worth of stock, he added, which was paid for largely by his holding of Buffalo Loew's Theatre. Through reasons which were private between his wife and himself the certificate were written in her name.

Appeared as Director.

During that summer the directors of the company, or those in charge of the management, became involved in the Beaver Truck organization which had heavy losses and pulled down the brokerage firm. He never put a dollar into the Beaver Motor Truck Company, nor did any member of his family, he said. He had been offered stock, and later refused it. In the meantime they had put his name on a prospectus as a director, Mr. Biggs said.

"My wife transferred the stock to Harris for the reason that the Morgan Dean, Harris Company was in a state of liquidation, had failed, or, in other words, they had more debts than they had credit. I looked to see that company wound up in the near or immediate future, and I did not, as a Minister of the Crown, wish to have my wife's name mixed up in the winding-up of any company that was defunct, and that stock was transferred to Harris without consideration because the stock was not worth anything at that time." This was in November, 1920, and it was a clean loss of \$10,000, he said.

"Did you get an allowance for this \$10,000 which you lost?" asked Mr. Price.

"I got absolutely no allowance, nor did my wife or I get one cent of dividends in Morgan Dean, Harris & Mulvaney or any other company. The shareholders of that company are still the shareholders, because I understand the company has not been formally wound up; therefore the company following it could not use their charter. At no time did that company pay a dividend, nor did it at any time until my wife's stock was out of the company, do any business with the Government—not until three or four months after."

Did Not Introduce Harris.

Mr. Biggs said he did not introduce Harris to Hon. Peter Smith, nor did he go with Harris to Smith's office. Mr. Harris never told him of the profits made on the business, he declared. "I don't see why Harris should tell one of his clientele what business he was carrying on with the Government."

"You were more than a clientele," said Mr. Price. Harris's firm, if it made money, would be able to repay stockholders, he added. "He may thank the Government, but he can't thank me," said Mr. Biggs. He accepted his responsibility, along with other members of the Government.

Not Acquainted in Home Bank.

Mr. Biggs said that Caldwell was not interested in concerns that witness was in. He did not know one official nor one employee of the Home Bank, he said, nor did he know anything about the Ridout transaction. He said he would produce his bank book if he could find it. All his banking had been with the Bank of Commerce in Dundas. To other questions about Mr. Harris's relations with the Government Mr. Biggs said: "You'll have to talk to the Provincial Treasurer about it. I knew nothing about it." His account with the brokerage firm had been absolutely a clean-cut private one and a clean-cut purchase and sale in every instance.