

Friday, April 18th

MISSING LINK MONEY NOT IN MASON'S BANK IS AUDITOR'S FINDING

After Six Weeks of Sustained Sensations Probers Present Report—Regret Matthews and Mason Were Not Produced and Suggest Vigorous Police Action

BIGGS SHADOWED ON DETROIT TRIP

Former Minister of Public Works Produces Some of His Bank Books, But Refers Committee to Peter Smith for Information Concerning Provincial Securities Co. Deals

After six weeks of sensations, the Public Accounts Committee of the Legislature formally closed up its business for the 1924 session yesterday afternoon at 3 o'clock. It presented a report to the Legislature which suggested "vigorous action" against former Assistant Provincial Treasurer Matthews and his step-daughter's husband, L. C. Mason; "consideration" of the cases of those in the public service who have received loans from persons benefiting by profits on Provincial business, and "appropriate action" in the case of Alexander Ross and G. M. Hart, who admitted giving incorrect evidence before the committee.

Col. Currie Objects.

When the committee met to consider the report, which was drafted by the Chairman during the noon adjournment, J. A. Currie objected to the wording of the report that the Government consider the case of officials who had accepted a loan from D. K. Ridout, and moved to substitute the words "that action be taken." His motion, however, was lost on a vote of 9 to 4, and the Chairman's wording sustained.

Protection for Hart.

In the case of Hart, who said his first evidence before the committee was "pure fabrication," Mr. Currie reminded the committee that he had been promised protection, and the Chairman said that the words "appropriate action" covered the circumstances of that case.

A. Belanger suggested, and the committee concurred, that there be incorporated a paragraph stating the committee's regret that Mr. Matthews did not appear. When the same member said he thought the matter of wording of the paragraph covering civil servants accepting loans out of profits was too big to be considered at that late hour, Mr. Currie asked if he desired them to remain in the service.

Mr. Belanger—No.
Mr. Currie—Then have the courage of your convictions.

Thinks Police Were Clumsy.

Hon. D. Carmichael passed a critical comment upon the Provincial Police, who had let Matthews escape, stating: "It was a piece of clumsy police work to let Matthews get away."

When someone suggested the inclusion in the evidence of some mention of the Aemilius Jarvis & Co. deal the Chairman explained that there were delicate questions of civil law involved in it which it would not do to mention before committee. Mr. Sinclair expressed the opinion that some mention ought to be included of the 1919 loan, which provided the basis for considerable discussion in committee of the disposition of \$42,400—\$25,000 of which, Mr. Whittaker testified J. C. Mason told him, M. J. Haney had taken to the Parliament Buildings.

\$25,000 Not in Mason's Account.

During the morning sitting the committee had a report from A. E. Nash of the firm of Clarkson & Co. on the account of J. Cooper Mason with the Central Canada Loan and Savings Company, and he stated there was no trace of the mysterious \$25,000 cheque having gone into

that account. One cheque, for \$1,800, was traced there, however.

The committee's report, presented to the House in the afternoon, was as follows:

Text of the Report.

"Your committee has had produced before it certain vouchers, accounts, correspondents and particulars in connection with the public accounts of the Province of Ontario for the fiscal year ending October 31, 1923, which it has carefully examined and considered.

"Your committee desires to draw attention of the House to the fact that it has been shown that certain officials in the public service of the Province have received certain gifts, donations or loans from corporations or persons who have benefited by way of commissions or profits on the sale of securities to the Province of Ontario, and your committee recommends that these cases be considered by the Government.

"Evidence was given before your committee by Alexander Ross and G. M. Hart which they afterward admitted to the committee was a fabrication, and it is recommended that these facts be submitted to the proper officers of the Crown for appropriate action.

The Ridout Transaction.

"Your committee has considered the evidence and facts in connection with the sale of \$10,000,000 Treasury bills, Series 'L,' to D. K. Ridout, and finds that a profit of approximately \$100,000 was made on this sale under circumstances that lead your committee to believe a correspondingly heavy loss was made by the Province.

"Your committee has investigated the purchase of succession-duty-free bonds from George R. Harris, using the name of the Provincial Securities Company, and your committee submits that the whole circumstances were fraudulent, and have resulted in a very heavy loss to the Province of Ontario.

"The said George R. Harris also sold securities to the Province through various companies and corporations he was connected with, under similar circumstances, which resulted in the Province paying excessive prices greatly beyond the market price of such securities.

Made Profit of \$125,229.

"Messrs. Clarkson & Co. have reported to your committee that the said George R. Harris, through the said Provincial Securities Company and other corporations, made a profit of \$125,229 on these sales.

"Your committee has also investigated the transaction of the Province with G. N. Hart, and the evidence shows that there were very grave irregularities, involving the loss to the Province of approximately \$25,000 in connection therewith.

"The Treasury Department submitted a statement to the effect that