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Toronto Newspaper

# THE TORONTO DAILY STAR

16TH YEAR.

## COL. LESLIE TO RESIGN

Has Given the City Ample Secur-  
ity—Says He Had Money  
Ready to Deposit.

## IS EXONERATED FROM ALL BUT CARELESSNESS

Resignations of Three City Audi-  
tors Accepted by Con-  
trollers.

## THOROUGH OVERHAULING OF THE WHOLE SYSTEM

Will be One Result of the Some-  
what Statements by Several of  
the Officials.

Following quickly upon the reported  
shortage of \$10,000 in the accounts of  
Lt.-Col. J. Knox Leslie, treasurer of the  
Industrial Exhibition, are some of the  
most important changes that have  
taken place in the departmental bu-  
reaucracy of city administration.

The resignation of Col. Leslie as  
treasurer of the Exhibition Association  
will take effect within the next 24  
hours, and the probability is that a  
member of the Provincial Auditor's  
staff will be asked to accept the ap-  
pointment as his successor. The in-  
structions are that the Board of Directors  
of the Industrial Exhibition will fix a  
salary for the position that will induce  
a much competent bookkeeper to accept  
the position.

### Auditor Security Given.

Manager Orr of the exhibition stated  
this morning that both the city and the  
Exhibition Association had been  
fully secured by Col. Leslie. He has  
assured the corporation to the extent  
of \$5,000, and added to this amount is  
the sum held by the Security  
Company.

Ten thousand dollars cash has been  
deposited to the credit of the Exhibi-  
tion Association from Col. Leslie's bank  
account, and another \$10,000 has been  
deposited in a trust account of \$25,000 on  
the New Haven Hotel property, which is  
owned by Mrs. Leslie.

### Col. Leslie Silent.

"I will make nothing in the shape of  
statements. The books are in the  
hands of the auditors, and I do not  
desire to discuss the matter," said Col. J.  
Knox Leslie to The Star to-day.

"There is nothing of a criminal na-  
ture in it, however, and the city's audi-  
tors neglected to credit me with an  
amount of cash on hand, and a deposit  
in the bank."

The auditor stopped there, and re-  
fused to say any more.

"The auditors have charge of the  
matter, and I can't say anything," he  
concluded.

### Not Shown in Bank Books.

The most serious feature in connec-  
tion with the reported shortage is the  
failure of the bank book of the Ex-  
hibition Association to record the de-  
position of \$10,000, which was made to  
the security fund at the close of last year's  
Exhibition. The auditor's report to the  
Mayor showed that the balance of  
\$10,000 carried forward from 1907 had  
not been entered in the ledger by the  
treasurer, and the assumption was that  
it had been carelessly omitted and that  
the bank book would show the  
amount deposited.

An examination of the bank book  
was not there, and pending a thorough  
audit of the books for several years  
back, Mr. Orr placed upon Col. Leslie  
giving security for the amount of  
the shortage.

### The Mayor's Statement.

When seen this morning the Mayor  
stated that the city had been fully  
secured, and that much more could  
be done if the Auditor General would  
attend the meeting. The Auditor General  
would be made, with a view to ascer-  
taining the condition of the books before  
and after the appointment of Col.  
Leslie to the position.

Mr. Orr's report to the Board  
of Control shows that the city Audit-  
or Department was entirely incompe-  
tent, and the Mayor, "had to use a vulgar  
phrase, it was almost rotten."

Mr. Orr also handed in his resig-  
nation, and his assistant, Mr. Hutchins,  
will put in his resignation.

On his way to the Exhibition  
offices to get the bank book of the  
Association, Mr. Hutchins tells me  
that his initials are affixed to the book  
and I just want to make sure."

### Money Wanted by the Bank.

Mr. Anderson, one of the industrial  
exhibitors, stated this morning that when  
he returned from his trip to Europe he  
went to the bank personally to see that  
the deposits approached the amount he  
had.

"No one knew I did it," said the doc-  
tor, "but I knew we should have at  
least the \$10,000 surplus from the 1907  
Exhibition, so I went to the bank myself."

In the bank, and I went to Col.  
Leslie and asked him where the money  
was. He told me he had a deposit to  
make that would make the account  
right, and that he would do that."

He then asked him for a special audit,  
and shortly after the special auditor em-  
ployed by the city took charge of our  
books. The city took charge of our  
books."

Col. Leslie's Responsibility.

Under the by-laws of the Exhibition  
Association, the Mayor and treasurer  
of the Exhibition are two separate  
officials in charge of their own depart-  
ments," said Dr. Orr.

He has nothing to do with Col. Leslie  
and I keep a thorough account of  
every cent that comes into the Exhi-  
bition treasury, and every cent that goes  
out."

Dr. McPherson's Condition.

Dr. F. C. McPherson passed a bad  
night, and at noon to-day his condition

had improved.

"I have never been satisfied with  
the work of the city auditors, and have  
freighted them for a special audit."

When I was appointed manager  
we had an independent auditor, but two  
or three years ago the City Council  
decided that the city auditor should  
not audit books."

"The last year I was not satisfied

with the manner in which the books were  
kept, and although it was none of my  
business, I asked the Auditor General  
to have an independent auditor appointed  
to see that everything was satisfactory."

Mr. George wrote the following letter to  
Mr. Wm. Anderson, the chief city auditor:

"Aug. 19, 1907.

"Wm. Anderson, Esq.,  
City Auditor, City Hall,

"Dear Sir: In trying to obtain

(Continued on Page Five.)

## STATEMENT BY LIEUT. COL. LESLIE.

Col. J. Knox Leslie, treasurer of the Industrial Exhibition, was at his office in the City Hall when seen by The Star this afternoon. He was busy preparing his books for the lengthy audit the special auditors had to make.

"I want to say that no act of audit ever made such a thorough audit of a set of books as the city auditors did when they examined my books," said Col. Leslie, "and when it is charged that my system of bookkeeping is at fault, all I have to say is that they don't know what they are talking about."

"I think the reported shortage will be easily accounted for when the auditors are through with their work."

"While the auditors made their last audit when they examined my books, I had Col. Leslie, and when it is charged that my system of bookkeeping is at fault, all I have to say is that they don't know what they are talking about."

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