

THE TORONTO WORLD

A Morning Newspaper Published Every Day in the Year.

FREEDOM OR SERVITUDE THE ISSUE.

Mr. E. R. Wood is probably the ablest graduate of the school of modern and high finance that Senator Cox has founded in this country. Some even think that Mr. Wood is it. When, therefore, so able and alert a gentleman claims that the electrical monopoly now seeking to entrench itself in this province cannot get access to the Toronto papers, The World begs to assure him that as far as it is concerned we will be only too glad to publish anything he may have to say on the matter, to put it on our first page under a good heading and not to charge him anything for it; and we extend the same hospitality of our columns to Senator Cox, to William Mackenzie, to Frederic Nicholls, to Sir Henry Pelat, but draw the line at W. G. McWilliams, ex-city solicitor.

There is a great deal to be said from the point of view of these gentlemen who have invested their money in electrical enterprises. They had courage, they took the risk and they ventured into unknown fields. The World and the people who favor municipal distribution of power recognize these things, are making no war on invested capital as such, but we are determined that invested capital shall make no unjust war on the people of this country. Our contention is that these men are organizing to the end that they may forever have the people of Ontario under them as bond slaves in the matter of power, just as the coal barons and the coal railways of the United States to-day have all the people of North America in most scandalous and grievous bondage.

The object that Mr. Wood has at heart—and we imagine the inspiration is largely in him—is to create a great electrical merger in the Province of Ontario to include all the street railways in this province, to include all the power-distribution companies in this province and to include all the lighting outfit in this province; nay more, to so corner the electrical product and electrical possibilities of this province that they will compel the great railways to take power from them on their terms; that they will be free if they see fit to export the power of Ontario into the United States for the light and the heat and the energy required by our neighbors to the detriment of our own nation; and that this merger will have injected into it millions and millions of watered stock for which not one dollar was ever paid in, on which excessive dividends may be drawn forever thereafter.

For a moment let us look at this watered stock situation; in the Toronto Street Railway there are six millions of watered stock requiring almost a thousand dollars a day out of income to pay dividends thereon. It is this unjust diversion of a thousand dollars a day into dividends on watered stock that is the reason of the inadequate service, the poor cars, the insufficient cars and the refusal time after time to extend and improve the system. In the Ontario Electrical Power Development Co. there was an issue of six millions of paid up stock distributed as a bonus to the promoters and to some of those who bought the bonds. The Ontario public are expected to pay 6 and 8 per cent. dividends on this watered stock to the men who hold it. We do not know at this moment how many millions of watered stock has been injected into the Gibson companies at Hamilton, also known as the Cataract group, but it is a good many millions, and Col. Gibson is playing the game of his life to come out of his exploitations in the Ambitious City a multi-millionaire. How many of these other propositions are similarly loaded we cannot at the present moment say, but we imagine that the Brantford outfit, the London outfit, the local companies at the Falls and the score or more of other organizations that are to come into the merger are all daily water-logged. We should say there were at least thirty millions, present or prospective, of water in these various electrical corporations of this province, and that the merger which Mr. Wood and his associates have in view would certainly be reorganized with not less than fifty millions of watered stock on which the users of electricity in Ontario would be expected to forever pay at least three millions a year of unnecessary tribute, besides paying full price for any power, light or other service they may get.

Our suggestion to Mr. Wood and his associates is to sit down and first squeeze out the water from their stock and then sell out or turn over their proposition to the people. They are entering upon a hopeless task. In the end the people will take over these enterprises. The public have come to see what their rights are, what they can do by organization and they now know that the day of the public utilities' misdeeds entrenched behind watered stock is soon to end forever. Or they can even modify, step-down and offer to sell their transmission lines or rent, their transmission lines to the state and to sell their product to the state to be distributed by the state to municipalities. But once and for all they must abandon this idea of forcing the people to pay tribute on any forty or fifty millions of watered stock.

Let us tell our readers what the people and what some great men think of watered stock, what some of the people who have studied the question think of watered stock. To speak for ourselves first: We believe that the millions of water that has been injected into a great mass of the securities of the United States is the likely cause of a great impending financial crash across the border. The United States to-day is full of prosperity and yet full of financial dread. The great bulk of this watered stock, these billions of watered stock, has gone into the hands of the loaning corporations of the United States. The people who are supposed to have invested in them have dropped out and left the loaning concerns to take care of tons and tons of these paper securities and for a good many months now these great loaning concerns, represented by banks, by trust companies, by great capitalists, have been carrying these stocks, have tried to hold them up in the market, and have in a way succeeded in doing so to date; but there is a dread among them all that they will not be able much longer to keep things where they are and that if the dam that they so far sustained should break there would be a financial flood, the like of which never was known to the American republic. Until a readjustment takes place and a great deal of this water is squeezed out or flooded out of American securities European investors, and Canadian investors at least, will not be tempted into the American market. As a matter of fact, the great bulk of American securities once held in Europe have been sent back to the United States and the money recalled; and in consequence thereof the great loaning concerns of the United States have all their funds occupying the position of a sponge to this watered flood.

The problem of watered stock exceeds all other questions to-day as far as this continent is concerned, and while we have statements in this country who say that watered stock is of no account, we beg to point out to them that the modern public man now somewhat prevalent in the United States, men like Elihu Root, secretary of state; Governor-elect Hughes of New York, and President Roosevelt, take quite a different view. The attorney-general of the Dominion of Canada, the Hon. A. B. Aylesworth, who is also minister of justice and who has long been busy as a corporation lawyer, has since he took office, declared that watered stock is of no concern to the people of this country.

As to Capital Stock

A. B. Aylesworth in House of Commons June 4, 1905.
I may state now how this question of capital stock that it put before the house strikes me. I see no difference between the proposition that the company will invest a certain amount of money in works within Canada and the proposition that some wealthy individual will do so. Surely it makes no difference to the country whether the money comes from some single person or from some hundreds of thousands of persons. Then what would anyone say if a man came before this parliament offering upon the conditions named in the charter of a private company to invest \$5,000,000 in Canada? Would that be treated as a menace to the country?

It seems to me that we have no peril to fear if we fix any amount we choose to mention as the limit of the amount of stock which the company may have power to issue.

As to Borrowing Powers

A. B. Aylesworth in House of Commons June 4, 1905.
I am very glad to hear of these matters, but I confess I can not see any objection to the company having the most unlimited borrowing powers if they can find any one to lend to them. Mr. Sproule: Who is to protect the people?
Mr. Aylesworth: I have never thought that money-lenders wanted any special protection. No one will lend these people money unless he is satisfied with the securities they offer and also satisfied that they have the right to borrow. An individual has unlimited borrowing powers, why should not a body incorporated by the law have similar powers.

We do not desire to even appear as misrepresenting Mr. Aylesworth; and if he does not appear to touch the real issue (that of allow-

ing companies to water their stock and to load the service concerned with unnecessary dividends) it was because he chose to rather evade it and to ignore the public's interest and to shield himself behind "the money-lender." But an examination of the debate contiguous clearly shows that it was presented to him.

Now let us come to a great public lawyer who does appreciate the enormousness of the interest that the public have in watered stock. At Utica, N.Y., on November 1 last, Hon. Elihu Root, secretary of state at Washington, the ablest lawyer in the United States to-day and a statesman as well, started out to denounce some of the evils that had to be met by Mr. Roosevelt and his cabinet. He said:

The managers of many great corporations, not satisfied with the natural increase of successful business, have enormously increased their capitalization beyond either their investment or the value of their property fairly used in business. Much of the watered stock has been sold to innocent investors, much of it has been secured by the managers themselves thru various devices for insufficient consideration. These greatly excessive capitals and the necessity of the paying of interest upon them have stood as barriers against the reduction of transportation rates, and the prices of products to a point which would secure a fair business return.

tors in the various bylaws to be voted on in a few days in Hamilton, To is this question of watered stock and how this great electrical sponge-like merger comes right home to us all in the issue now before the Ontario and elsewhere.

Let us quote in closing the words of an able American, Rev. Lyman Abbott, in a recent number of The Outlook dealing with this very speech of Mr. Root:

Mr. Elihu Root's speech at Utica deserves to take rank among the masterpieces of forensic eloquence. We refer to it here, however, not because it is a great oration, but because it contains the clearest, simplest and most concise statement we have seen of the corporate evil with which the federal government has undertaken to deal and of the measures which the federal government has taken to correct them. Mr. Root does not condemn corporate wealth; what he condemns is the corruption of the political administration of the state (and the state is the municipality) by direct or indirect bribery. Conceivably, if you can, in the light of our experience in Toronto, with our present electrical companies, or of Hamilton with the Gibson outfit, what would be the political situation in this province, the municipal situation in every municipality in this province, with a great big hundred million dollar (half water) merger, owing all the light, street, railway utilities, controlling the press, controlling the aldermen, controlling the provincial government, and taxing as they see fit up to the very straining point—all of us. It would be a servitude more galling than that which ancient conquerors imposed on the unfortunate victims of their war lust.

THE RAILWAYS AND THE BOARD OF RAILWAY COMMISSIONERS FOR CANADA.

Publicity is the one thing feared by the consolidated railway interests of Canada; and it is really surprising to see how quickly they note the trend of public opinion, and endeavor to divert the minds of the people from the subject under discussion. The bill introduced in parliament by Mr. W. F. Maclean to do away with the anti-scalping law, has attracted a great deal of attention and interest throughout the country, and the carrying companies were really reduced to a state of panic. The bill introduced in parliament by Mr. W. F. Maclean to do away with the anti-scalping law, has attracted a great deal of attention and interest throughout the country, and the carrying companies were really reduced to a state of panic. The bill introduced in parliament by Mr. W. F. Maclean to do away with the anti-scalping law, has attracted a great deal of attention and interest throughout the country, and the carrying companies were really reduced to a state of panic.

In the past these claims for refund have been handed thru what might properly be called the circumlocution department, and it has taken weeks and sometimes months to obtain a refund of the amounts due. Realizing that the agitation for a repeal of the anti-scalping law was assuming serious proportions, the Eastern Canadian Passenger Agents' Association decided that something must be done to convince the people that the carrying companies were really reduced to a state of panic. The bill introduced in parliament by Mr. W. F. Maclean to do away with the anti-scalping law, has attracted a great deal of attention and interest throughout the country, and the carrying companies were really reduced to a state of panic.

If the Dominion government would only wake up and feel the public pulse and realize the life blood of the people is throbbing with the newly-awakened spirit of emancipation from the grasp of the great corporations, what a wonderful reformation would take place in the progress and development of the country! Cheap transportation is the one thing necessary for an increase in and continuation of the prosperity of the public mind. It is absolutely necessary to attempt to evade the issues which have been placed before them. There must be an immediate improvement in the facilities provided for the carriage of the traffic of the country, and there must be an equalization of the tolls imposed by the carrying companies upon the public mind. It is absolutely necessary to attempt to evade the issues which have been placed before them. There must be an immediate improvement in the facilities provided for the carriage of the traffic of the country, and there must be an equalization of the tolls imposed by the carrying companies upon the public mind.

Cheap power and cheap transportation are the two subjects which are attracting the attention of the people of Canada, and the government that is not alive to the importance of these questions will have a rude awakening when they go before the people. The forces of nature are being harnessed for the purpose of providing cheap power, but the people have to rely upon themselves to secure cheap transportation. Regulation of railway rates is a necessity, and if the board of railway commissioners are not competent to deal with the problem, we must adopt some other means of securing for the people the protection to which they are entitled.

If, in any line of trade or commerce throughout the country, a combination is effected for the purpose of fixing prices, when the matter becomes public, the individuals concerned are hauled before the courts and branded as criminals, and, perhaps, it is that such action should be taken in the public interest. In any case, so long as the law is on the statute book, it should be enforced. But, when the railway companies enter into a combination for the purpose of fixing rates and stifling competition, they are not only allowed to do so without interference, but actually receive the support of the government in their disregard of the law.

Why is not the law enforced against the great corporations, as well as against the individual transgressor? The Canadian Freight Agents' Association and the Eastern Canadian Passenger Agents' Association are combinations in restraint of trade of the very worst character, and yet we find the Dominion government actively represented in both these organizations. It is positively disgraceful that the government which is responsible for the administration of the law, should be guilty of openly violating that law, more especially when their attention has been repeatedly called to the matter.

Orders should be issued at once for the withdrawal of the Intercolonial Railway from membership in these associations. The people of Canada will not permit abuses of this kind to exist, and the government should realize that they must cut loose from even the suspicion of being in league with the great corporations. There is a feeling throughout the country that there is more truth than poetry in the statement made by Mr. Bourassa, and there is good ground for the suspicion that the members of parliament are under the control of the railways, who are using their position to bring the railway legislation which is now before the house of commons.

If the government desires to retain the confidence of the people of Canada, it is necessary that they should take an interest in the questions which are irritating the public mind, and that they should themselves from the suspicion that they are working with the railways in opposition to the interests of the people.

(These articles have appeared daily since Monday, Dec. 3.—Ed.)

THE SUNDAY WORLD.

Now that your Christmas shopping has been done, or practically so, the hundred thousand readers of The Sunday World will feel like resting tomorrow morning, and contemplating the scope of their gift-making and their charities. It will be an hour well spent.

Closely in touch with our mood will be The Sunday World. It has a decidedly pleasant flavor of Christmas in engraving and literature, and it will appeal to every member of the family

from "tot" to grandpère. There are few Torontonians not interested in the splendid volunteer garrison of their home city. Whether at the more serious work of increasing the military efficiency of each unit, or at play the young men of the various corps command the respect and admiration of their fellow citizens. Therefore, The Sunday World to-morrow will tell the story of how the local militiamen amuse themselves in winter. It is the story of the Toronto Garrison Indoor Baseball League, the largest organization of its kind in the world, and is accompanied by illustrations which heighten the interest. This is The Sunday World's Christmas greeting to the gentlemen of the splendid garrison of Toronto.

Theatrical amusements have an indisputable place in the category of social pleasures, especially in the long winter evenings, and there are some surprising facts contained in a brief review of the situation in Ontario, where upwards of \$10,000,000 are invested in the business. Mr. A. J. Small of Toronto alone being interested in investments aggregating nearly \$1,000,000. A fine picture of a group of officers and members of the Canadian Theatrical Association accompanies the review.

Charlton is one of the more promising agricultural centres of New Ontario. It literally "flows with milk and honey." Altho as far north as Englehart, it produces all sorts of vegetables and small fruits, and it has splendid prospects. A graphic story is supplemented by half-a-dozen fine engravings. Church union—between the Methodists, Presbyterians and Congregationalists—is progressing. A meeting of the joint committee of laymen and ministers was held here last week. The delegates were photographed especially for The Sunday World. Toronto is growing tremendously fast in its eastern limits, and a fine suburban town is rapidly building just across the line, at Balmy Beach. Two new churches have been added to the district this fall, pictures of which are given, and a new debating and athletic club has been organized, of which is printed a picture of the Beach Success Rugby Football Club. Amateur photographers will find a half-hour with "rainforest" profitable. Portraits of the issue include Commodore T. A. E. World of the Queen City Yacht Club, who was recently elected president of the Lake Yacht Racing Association; the late George Broadfield, Major J. A. Currie, patron of the Toronto Garrison Indoor Baseball League, and others.

With a Christmas flavor are carefully prepared articles on the "Origin of Christmas Customs," "Woman's Role at Christmas," "Christmas in Old Mexico," "Christmas in Other Lands," and there's an entertaining description of Dawson City, now quite toned down and respectable. In a bit of verse entitled "Useless Virtue," the practical use of the modern system of phonetic spelling in the public schools is capably illustrated. Add to all this a complete newspaper with bright, thoughtful, editorials, local and foreign news, and news of the sporting world covering all Saturday afternoon racing and other events; society, books, music, and the theatre, and you have a very generous five cents' worth, besides having the satisfaction of being a day ahead of the man who doesn't read The Toronto Sunday World.



Furriers
To H. M.
Queen Alexandra.
H. R. H.
Prince of Wales.

Priced at a Figure that is Remarkably low, we are showing some very pretty Muskrat Jackets.

Made 22 in. long, with form fitting back and rounded fronts; Napoleon or turn-down collar, and vest of brown cloth, tastefully trimmed with fancy silk braid, or galloon.

Priced at \$45, these coats are worth fully \$10 more. The fur is a very good quality—dark natural color—with brown satin lining. The style is of our own design.

WOLF-RENEW & CO.
5 King Street East.

THE T. EATON CO. LIMITED
STORE CLOSING TO-DAY AT 5 P. M.

The Last Day

To buy the overcoat—the suit—the neckwear—the hat, you'd wear (or give) for Christmas.

Best service for you in the morning; so—come early.

Long, Pure-wool Tweed Overcoat, \$4.99

The single-breasted "traveller" coat of warm thick tweeds; heavy Italian cloth lining; long and loose; extended shoulders; deep vent in back; sizes 34 to 44. Take your choice and save on the price. Each 5.49

A Clearing Price on Dressing Gowns

Oddments of best sellers.

Soft camel's hair cloths—gray and brown effects; some have reverse plaid trimmings; sizes 34 to 44. Price much reduced for a quick clean-up Monday, each 6.50

Fur-lined Coats—

Great Money Saving

Outside of indigo dyed English beaver cloth; lining of Canadian muskrat; high storm collar of Persian lamb or otter. We've greatly reduced the price on ten to 38.50

High-class Furnishings Priced to Go

Taking advantage of the last day before Christmas to send gift things out on the run. So every garment listed here is priced for sure clearance.

Bath Robes—Imported—eiderdown, navy, red, cardinal, blue and green combination colors; deep sailor collar; two pockets; girdle. Clearing at, each 3.48

Fancy Shirts—Imported, handsome new patterns; soft or stiff front; separate or attached cuffs; sizes 14 to 18. Four hundred of these high-class shirts to go at, each79

Suspenders—clearing best Christmas fancy silk goods regardless of cost. Each pair in gift box. While the lot lasts we'll sell them at, a pair75



Mufflers—black silk and

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MAIN FLOOR—Q

MONEY IN CEMENT.

The National Portland Cement Company of Durham, Ontario, has made tremendous strides in the past year. In another column will be found a report of the banquet tendered the workmen by the president, the general manager and the director of the company. A year ago when Mr. McWilliams took over the management of the company few had faith in its success; to-day, everyone sees its success and another great industry has been added to the flourishing industrial life of Canada.

How was this achieved? Good management, is the answer. Mr. McWilliams, the president, is an expert manufacturer of cement, and an executive officer who believes in the division of labor, placing responsibility on heads of departments and moving all as a general moves an army. His business acumen was exemplified by his choice of a superintendent, Geo. McGraw, the best maker of Portland cement in Canada. With McWilliams as general and McGraw as chief of staff, the National Portland Cement Co. has gone up in value from 15c a share to \$1 a share, and all in one year.

There is money in cement, but the success of a cement mill depends on its management. With 25 years' supply of marl deposits within easy distance, with the most up-to-date mill in Canada, with a general manager who knows the cement business from A to Z, with a superintendent who is pre-eminent in his capability, and a board of directors who work with their exe-

For 24 years there has never been a brew of Lager Beer that has not been absolutely faultless. That one fact speaks volumes for the perfect methods in force in Canada's model brewery. "Drink the Lager that is always right."

Keefe's

Money cannot buy better Coffee than Michie's finest blend Java and Mocha, 45c lb. Michie & Co., Limited

utive, the National Portland Cement Co. has proven that there is money in cement. But if the organization were not as excellent as it is with the National Portland Cement Co., success would not be so sure. Hence there is money in cement, if the cement mill and business are run on modern up to date methods.

ESTABLISHED
JOHN CATT

STORE OPEN SATURDAY NIGHTS TILL

SPLENDID CHRISTMAS

EIDERDOWN COMFORT

Until after the Christmas Eve moved our splendid Eiderdown Bed Comforts to the Floor, where, with plenty of room, we can advantage. Here you can see these goods, well worth looking at. The prices are right. Down-Proof Art Bed Comforts from \$5 to \$10. Down-Proof Exclusive Covered Comforters at \$12. A special line of Comforters at \$2 to \$10. Grand display of rich Covered Sofa Cushions.

FANCY BEDSPREADS

Irish Hand-embroidered Spreads, from \$8 up. Fancy Hand-embroidered Spreads, \$3 per pair. "Marie Antoinette" and "Shamrock" Spreads, \$5.50 up. Fancy Lawn Embroidered Spreads, \$3 per pair.

TABLE LINENS

A splendid lot of fine Linen Damask Napkins, 12 sets, new, sentation from \$5 per set.

A NOVELTY

Just imported, a famous beautiful "Stretcher" linen work in Tea Bureau and Sideboard Centrepieces, Pillow Cases, etc. These are not fine work—and prices.

SILK UMBRELLAS

A very useful Christmas gift for either lady or gentleman. (Initials charge). Ladies' Fine Umbrellas, \$10 to \$15. Initials engraved.

HANDKERCHIEFS

A great many Handkerchiefs for Christmas. We have just selected from, and the "ity" is here apparent.

Ladies' and Gentlemen's, in every

an exceptionally fancy Pocket Handkerchief, Corset ties, and also in hemstitched and fur-trimmed Silks.

WRAPS, SCARVES

Real Shetland Fur from \$1.75 to \$3.95. Ornaments (imitation) Showies, 95c to \$4.00. Exclusively-dressed Chene Head Scarves, \$2 to \$10. Black and Cream Ties and Scarves, \$1. Real Duchess and thus, Plastrons, Fur Silk Stockings, \$1 pair.

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