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28 VICTORIA STREET.

The Toronto World

"Maltese Cross"
Rubbers.

TWENTY-SEVENTH YEAR

TEN PAGES—FRIDAY MORNING MARCH 23 1906—TEN PAGES

ONE CENT

Directors in Stock Dealings Involving Investments of Manufacturers' Life Of Most Amazing Character

PELLATT, MACKENZIE, MANN
ARE, OR WERE, IN DEBT
TO HUGE AMOUNTS

\$132,000 Paid to Brokers for 1000
Shares in C.P.R. Which Were
Not Delivered Until at Appar-
ent Loss of \$139,000.

DIRECTORS FORM HOLDING CO.

Ottawa, March 22.—(Special.)—Office
boys forming companies with millions
of capital; call loans to directors ap-
proximating \$400,000; \$258,000 paid for C.
P.R. stock at the time worth \$119,000;
and similar incidents furnished the
story related by Supt. Fitzgerald this
afternoon concerning the Manufactur-
ers' Life Insurance Company and its
dealings with William Mackenzie, D. D.
Mann, Sir H. M. Pellatt and other di-
rectors.

Mr. Fitzgerald was not anxious to tell
it. He mildly characterized as "inac-
curate" a deliberate juggling with words
returns by the officers of the company,
so as to conceal illegal practices and
create a fictitious balance in the bank
of \$386,000.

The Manufacturers' Life has never
been noted for having any surplus cash
on hand; the directors attend to that.
Mr. Blackadder testified that during all
of 1905 the daily balances at the bank
were always small, and sometimes non-
existent. No wonder he stared at a cash
deposit of \$386,000 on Dec. 23 of that
year.

For several days after that the Manu-
facturers' Life had money in the bank,
then it disappeared as mysteriously as
it came, but not before the end of the
year had come and gone and the com-
pany had made its annual return to the
insurance department. Whether any
real money ever passed is not ap-
parent. Mr. Fitzgerald contended him-
self with saying that the credit at the
Traders' Bank was procured by Mack-
enzie and Mann.

Demerits of Coal Shares.
William Mackenzie and D. D. Mann
were directors of the Manufacturers'
Life, and about this time owed the com-
pany \$140,000. The company, which was
holding a block of Dominion Coal, which
cost \$230,000, but just then its mar-
ket value was \$109,500; in other words
the stock had shrunk \$120,500. These
shares, with other securities, passed to
a holding company organized by a
group of directors. Meanwhile it was
a growing time for loans to Messrs.
Mackenzie and Mann, which in the end
were taken by the paper of the Mack-
enzie & Mann, Limited.

There is some interesting history to
follow in connection with Dominion
Coal and other securities, but the C.P.
deal and Pellatt mortgage are en-
titled to precedence.

The Armstrong committee found no-
thing more rank than these alleged trans-
actions.

A Deal in C.P.R.

It appears that the Manufacturers'
Life decided to buy 1000 shares of C.P.R.
in 1903. This required, of course, \$132-
000. The money was paid in instal-
ments, but the entire amount was paid
to Pellatt & Pellatt, stock brokers, of
Toronto. The other members of this
firm were Messrs. Col. Pellatt, vice-president
of the Manufacturers' Life.

Pellatt & Pellatt, having received the
\$132,000, the insurance company de-
manded the stock. Unfortunately the
brokers had in the meantime hypothec-
ated the stock and were unable to
make delivery. They had also paid out
it, for their own purposes, \$101,000.

What happened then? The Manu-
facturers' Life did not desert its vice-presi-
dent. It came to the front and paid
this additional \$101,000. Meanwhile the
market price of C.P.R. had declined to
\$119,500. This block had cost the insur-
ance company \$233,000.

Being \$114,000 to the bad should have
satisfied the Manufacturers' Life, but
Col. Pellatt did not demand "more."
Col. Pellatt had some shares of stock
in the company which he desired to
pledge as security for his debt. But
these shares were already hypothecated
for \$25,000. This claim was also paid
by the Manufacturers' Life, and the C.
P.R. stock, worth \$119,500, stood this
conservative company just \$258,000.

Mortgage as Security.
To secure his debt, Col. Sir Henry M.
Pellatt also pledged to the insurance
company his fifty shares of its capital
stock, some shares in Dominion Coal
and Dominion Steel, and 100 shares of
Mexican Light & Power common.
He still owes \$100,000, and there is
an unrecorded mortgage to secure this
debt, which was given by Lady Pellatt
upon some land at Scarborough Heights.
Mr. Fitzgerald, who is always an opti-
mist, declares this land to be worth
about \$46,000.

The Manufacturers' Life has the loose
leaf ledger system. Many sheets show-
ing important transactions had been
abstracted in anticipation of Mr. Black-
adder's visit. It is only fair to say that
ferreting out the real conditions is no
difficult to see what Mr. Fitzgerald
accomplished, but the records in his
office show the following facts:

Organized Holding Company.
The active directors of the Manu-
facturers' Life organized a holding
company called the Prudential Securi-
ties Co. It was organized to take over
the holdings of the insurance company,
a Dominion Coal and Crown's Nest
Coal amounting to about \$250,000. It
also took over \$35,000 in Mexican Power
and Light and \$45,000 in Electric
Development stock.

The purchase price for all was \$100-
000 in cash and \$140,000 in securities.
Continued on Page 5

SUPT. FITZGERALD ADMITS

That \$132,000 was paid by the Manufacturers' Life in instal-
ments to Pellatt & Pellatt, brokers (Col. Sir H. M. Pellatt being
vice-president of the Manufacturers' Life) for the purchase of 1000
shares of C.P.R. stock.

That when delivery was sought, it was found the brokers had
hypothecated the stock for \$101,000.

That the Manufacturers' Life paid that additional amount the
C.P.R. had decreased from 132 to 119; and also \$25,000 for shares
hypothecated by Col. Pellatt, which he pledged as security.

That Sir H. M. Pellatt still owes the company \$100,000, secured
on an unrecorded mortgage on land which Mr. Fitzgerald declares
worth \$46,000.

That a bank balance of \$386,000 was created Dec. 28, 1905, and
disappeared shortly thereafter, apparently to make a showing in the
annual report.

That the "loose-leaf ledgers" showed many sheets abstracted.

That the active directors of the Manufacturers' Life formed the
Prudential Securities Company to take over the insurance com-
pany's stock-holdings.

That employees of Mackenzie & Mann form the directors of other
similar organizations.

That directors of the Manufacturers' Life were privileged in call
loans to the extent of \$400,000.

HILL AND CAN. NORTHERN CO-OPERATING IN THE WEST

American Magnate Plans to Build
4000 Miles of Road in
Canada.

Winnipeg, March 22.—(Special.)—Presi-
dent J. J. Hill of the Great Northern
has made comprehensive plans for in-
vading the Dominion and plans to build
no less than 4000 miles in the four
western provinces.

A line will go from Havre, Mont., on
the Great Northern main line to Medi-
cina Hat and from there to Edmonton.
One branch will go to Calgary. The
Canadian Northern and Hill will co-
operate in all western Canadian opera-
tions. Engineers, under Hill's direc-
tion, are locating a line from Regina
southeast to the international bound-
ary, to run between and parallel the
Arcola line of the Canadian Pacific and
the Soo.

By this means Hill will have a trunk
line into the heart of the Canadian
agricultural region. In British Colum-
bia Hill is building to the coast as well
as constructing to the boundary line. It
is declared his line will at a point 200
or 300 miles north of boundary, turn
east across the Rockies, and make Ed-
monton its eastern terminus, where it
would connect with the line to the south
already referred to, and constitute the
Pacific coast line in the transcontinental
system of the Canadian Northern, which
will use the Hill roads to reach Van-
couver.

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Continued on Page 5

LANCASTER'S RAILWAY BILL ENDORSED BY GOVERNMENT

Makes Fairer Arbitration Process
—Zimmerman's Bill as to Loan
Companies.

Ottawa, March 22.—(Special.)—Official
business in connection with the
proceedings of parliament does not al-
ways receive the careful attention
which is merited by its supposed im-
portance. An illustration of this fact
was furnished in the house of com-
mons to-day by Mr. Zimmerman (Ham-
ilton West), who introduced a bill re-
specting certain loan companies, design-
ing to give these companies wider pow-
ers in respect of the method of con-
ducting their affairs. Mr. Zimmerman
explained that this measure was put
thru all its stages in both houses
during the session of 1903, but by some
mischance it failed to receive royal as-
sent.

Mr. Monk elicited from the premier
the information that the Quebec Bridge
Co. issued bonds to the par value of
\$475,000, and sold the same for \$383,279
to M. P. Davis and Thomas McDou-
gall as trustees. These bonds were
afterwards redeemed by giving in their
place bonds of a like par value guar-
anteed by the government of Canada.
No inspection of the books of the com-
pany has ever been made by the gov-
ernment.

The premier to Mr. Monk said that
during the session of 1903, there
were killed on Canadian steam rail-
ways 25 passengers, 192 employees and
18 other persons. On electric railways
10 passengers, 3 employees and 40
others.

The voyageurs who served in the Red
River expedition of 1870 will not re-
ceive any recognition from the gov-
ernment, either in money or scrip. Mr.
Hyman said these men were in pre-
cisely the same position as teamsters.
They had been paid and that was the
end of it.

Mr. Walsh of Huntingdon asked sev-
eral questions with regard to outside
occupations of civil servants at Ot-
tawa. The premier told him that they
are not supposed to carry on any busi-
ness or work outside of their official
duties, and the government does not
know of any who do so.

Lancaster's Success.
Mr. Lancaster (Lincoln) got the sur-
prise of his life during the afternoon.
The government accepted two legisla-
tive measures proposed by him. The
one amending the Railway Act was
accepted as it stood. The other amend-
ing the act respecting certificates
to masters of ships was accepted
in principle, but before becoming
law it will probably be altered in
some minor particulars.

The bill in amendment of the Rail-
way Act deals with arbitration. Now
the railway company may offer a man
pay into court such sum as the
judge deems proper and take imme-
diate possession. The company may
then wait until it sees fit to ask the
court to appoint arbitrators, the land
owner being left helpless because the
court can appoint arbitrators only on
application of the company. Mr. Lan-
caster's bill allows the court to appoint
arbitrators on application of either
party.

Mr. Fitzpatrick stated that the com-
mission on the modification of the
statutes had already called attention to
this defect, and the government had
intended to remedy it, but Mr. Lan-
caster had been diligent and was en-
titled to the credit.

To Benefit Mariners.
The other bill provides that masters
and mates of ships on the inland water-
ways of Canada must be British sub-
jects. The government did not look
favorably on this proposal last ses-
sion.

The debate afforded Mr. Pardon
(West Lambton) the opportunity of
making his first speech in the house.
He merely remarked that there were
many mariners in his constituency, and
before reaching a decision he would
like an opportunity to learn their views.
In committee the bill was considered
in detail, and several changes suggest-
ed. Several Mr. Lancaster was willing
to accept, but none were definitely
agreed upon. Mr. Fitzpatrick intimat-
ed that the fundamental idea, as to
masters and mates being British sub-
jects, would not be eliminated.

York Springs Sarsaparilla—Superior
to that imported from England.

A PANDORA'S BOX-FULL OF EVILS



PANDORA FIELDING: "I didn't want it opened. The lid was forced."

Train Wreck at Hamilton Six Trainmen Were Hurt

Passenger Train Ran Into Freight
Cars Near Dundurn—Engines
Are Both Wrecked—Toronto
Man Is Among the Injured.

Hamilton, March 22.—(Special.)—The
Toronto G.T.R. passenger train de-
scribed here at 3.25 collided with a yard en-
gine and some freight cars at the west
end of the Stuart-street yards, near
Dundurn Park and the Desjardines
Canal this afternoon. The passenger
train was slowing down and the yard
engine backing up or results might
have been worse. Both engines were
wrecked and baggage car and smoking
locomotive. Three freight cars were also
damaged. One of the cars fell into the
bay. A fire started but was soon out.
The injured are Wm. Beatty, en-
gineer, legs and arms bruised and head
cut; J. D. Thompson, mail clerk, 13
Farley-avenue, Toronto, bruised about
back and shoulders; Wm. Walker, bag-
gage man, 28 East Barton-street, chest
crushed and injured internally; Engi-
neer Armstrong, 134 North Ferguson-
avenue, bruised about the face; Con-
ductor Geo. Stoddart, North Park-
street, leg cut, and J. T. Malley, Bos-
ton, body cut and bruised.

The mail clerk, Mr. Thompson, who
was released from the wreckage which
pinned him down, boards at 13 Farley-
avenue. He is a widower, is over 50
years of age and is an uncle of Dr. V.
P. Thompson of 6 Carlton-street. When
the latter heard of the accident he took
the next train to Hamilton and brought
the patient home to Toronto, where he
had him removed to Grace Hospital.
It was reported that Mr. Thompson
was only badly shaken up, but further
enquiries reveal that he was injured
internally.

The other men who were injured re-
side in Hamilton. The passengers were
rather badly shaken up, but no one in
the coaches was injured.
The wreck did not interfere with the
arrival of trains from Hamilton into
Toronto.

Most Popular Cigar in England.
"Bolivar," the most popular import-
ed Havana Cigar made in Cuba. Come
to A. Clubb & Sons, 49 King West, and
sample them; delicious quality and
moderate price, from 10c up.

**Clear Hudson & Co. Chartered Ac-
countants, 4 King West. M. 4785**

Does Your Watchman Do His Duty?
The board of underwriters allow a
rebate on buildings and contents of
buildings using our system of night
watch signals. The Holmes Electric
Protection Co. of Toronto, Limited, 5
Jordan-street. Phone Main 576.

**Edwards, Morgan & Company, Char-
tered Accountants, 36 Wellington-st.
East. Phone Main 1103.**

EMPIRE HOTEL.
336 Yonge-street, most modern and
up-to-date hotel in Toronto. Rates \$1.50
to \$2.00 per day. J. Newton, proprietor.
Phone Main 2355.

**Battery Zincs, all kinds. The Canada
Metal Co.**

The Only Clean Pipe.
The Bilton Alters the smoke. Price
75c. Alvine Bolland.

**T. W. Dickinson has spent a few days in
town. He leaves for Guelph to-night on
the 10:30.**

VESEL LICENSES GO OUT WHEN BILL IS CONSIDERED

Government Has Decided on Re-
moval of That Feature of the
New Bill.

It is understood that the clause in
the new license bill giving the govern-
ment the power to issue licenses to ves-
sels plying on the lakes and rivers is
likely to be stricken out when the bill
comes up for consideration in commit-
tee. The clause, even if it goes in, does
not necessarily mean the granting of
the license—the right is reserved, that
is all.

The executive of the Ontario License
Holders' Protective Association were
in session all yesterday at their Wel-
lington-street offices discussing the
Hanna license bill. Secretary Dickie
said that it had been considered that
some sections should be strongly op-
posed and that some additional clauses
should be added, but he could give no
information as to what steps would be
taken.

The Hotelkeepers' Association of Tor-
onto are taking the new act very seri-
ously. A committee has been appoint-
ed to look into all the provisions of the
act, and they will report at a meeting
of the association, which will be held
Saturday night at the King Edward.

BIRTHS.
PUDDEN—On Wednesday, March 21st,
at 281 Arthur-street, Mr. and Mrs. W. H.
Pudden (nee Hurd), a son.

DEATHS.
CANAVAN—At St. Michael's Hospital, on
Wednesday, March 21st, in his 72nd
year, John Canavan, barrister, 61 Albion-
avenue, Toronto.

Funeral Saturday afternoon at 3, from
St. Alban's Cathedral.

CARBERY—At the House of Providence,
Toronto, on Thursday, 22nd inst., after a
lingering illness of some two years,
Catherine Carberry, mother of Rev. Jas.
Carberry of Schomberg, formerly of this
city, aged 68 years.

Funeral will take place on Saturday
morning at 9 o'clock, at St. Paul's
Church, thence to St. Michael's Cemetery.
CULLITON—At his late residence, 20 Gil-
dersleeve-avenue, John Culliton.

Funeral Saturday morning, March 24,
at 8.30 a.m., to St. Paul's Church, in-
terment at St. Michael's Cemetery.

DOWLING—On Thursday, March 22nd,
1906, at the residence of his daughter,
Mrs. Charles Wheat, 57 Wickson-avenue,
William Dowling, in his 68th year.

Funeral on Saturday, March 24th, at
2.30 p.m.

KEMP—At his late residence, "City Arms
Hotel," 26 West Market-street, on March
22, John Kemp, aged 60, a native of
Yorkshire, Eng.

Funeral from above address, at 2.30
p.m., Saturday, 24th inst., to Mount Ple-
asant Cemetery. A member of Hunter
Lodge, A.F. & A.M.

IN MEMORIAM.
HOCH—In loving remembrance of Andrew
Hoch, who died March 23, 1905.

Sleep on, dear one, the labors o'er, thy
willing hands will tell no more. On
earth there's strife, in Heaven peace.
Thy loved one most who knew you best,
Daughter, Buffalo and dearth papers
please copy.

IRISH EDUCATIONAL SYSTEM NEEDS A UNIVERSITY TO AFFORD RELIEF

Secretary Bryce, Admitting Grief-
ances, Gives Assurance of Sym-
pathetic Attention—May Aid
Gaelic Language Revival.

London, March 22.—Irish education
grievances was the subject of a long
debate to-night in the house of com-
mons.

Irish members declared that the ex-
isting system is deplorable, and that
Ireland never will resist until she ob-
tains a university representing the in-
terests of the Catholic majority. Geo.
Wyndham, chief secretary for Ireland
in the Balfour cabinet, also spoke
strongly in favor of reform, declaring
that if Ireland were given the same
facilities for education as England and
Wales would be appeased.

James Bryce, the new chief secre-
tary for Ireland, on behalf of the gov-
ernment, made a conciliatory speech
admitting the existence of the griev-
ances. He said the government had
not had time to formulate a policy,
but the matter had his constant at-
tention, and he did not despair of find-
ing a scheme of reconciling the con-
flicting interests.

The government was also considering
a scheme to provide the study of Gaelic
languages.

John Murphy, Nationalist member
for the east division of Kerry, who
introduced the amendment raising the
discussion, expressed satisfaction with
Mr. Bryce's reply and withdrew the
amendment.

EARL GREY IN NEW YORK.

First Time Governor-General Has
Ever Been Banqueted in U. S.

New York, March 22.—(Special.)—
When His Excellency Earl Grey comes
to New York next week it will be to
attend the first public banquet ever
given to a governor-general of Canada
by citizens of the United States. The
planning of this country, whose plat-
form, in conjunction with their broth-
ers in England, is the fostering of an-
glo-American amity, are to have a din-
ner at the Waldorf-Astoria of Mr. Earl
Grey, at which Secretary of State Root
and other distinguished Americans
will be guests.

The event will be notable, and may
some day be historical, in light of the
converging destinies of the two great
commonwealths of North America. It
is expected that certain of the most
questions between the two countries
will receive a touch of good-will at
the affair that will do much toward
their amicable solution.

Accompanying the governor-general
will be Lady Grey and members of his
official household. Earl and Lady Grey
will be the house guests of Mr. and
Mrs. Joseph H. Choate while in New
York.

SKULL FRACTURED BY BOBBIN.

Peterboro, March 22.—(Special.)—Ed-
ward Jewett, a young man employed
as an oiler in the Canada Cordage
Company, had his skull fractured to-
day by a bobbin flying from a spin-
ning Jenny.

He was removed to Nicholas Hospital,
and is in a very low condition.

Smoke Taylor's Maple Leaf Clear

Weatherable Hats.

For a hat that
will stand this
weather—and the
worst of all weath-
ers without los-
ing shape or color
—wear
corner Yonge and Temperance-streets.

**Empress Hotel, Yonge and Gould
Sts., E. Entrance, Prop. \$1.50 and \$2.00
per day.**

FINE.

Observatory, Toronto, March 22.—(8 p.m.)
The depression which was over the lake
region last night has now passed the Gulf
of St. Lawrence and the cold wave is still
centered in Manitoba. Considerably colder
weather prevails in Ontario and Quebec.
Favorable conditions are setting in over
Albion.

Probabilities.

Lower Lakes and Georgian Bay—
Fine, not much change in tempera-
ture.

STEAMSHIP ARRIVALS.

Mar.	22	At	From
Messala	New York London
La Royale	St. John's Halifax
New York	St. John's Halifax
Coast	Nantuxet Liverpool
Laurentian	Quebec Philadelphia
Deutschland	Cherbourg New York
La Lorraine

TO-DAY IN TORONTO.

T. M. A. benefit performance, Prince-
cess Theatre, 2.

Beaver T.O.L. banquet, Albert Wil-
liams' Cafe, 5.

Laurier Club, address by C. N.
Smith, M.L.A., Broadway Hall, 8.

"Ye Old Tyne Dance," Victoria
Hall, 8.

**There are many
dead ones trying
to do business, but
classed as deceased
for the want of
advertising.**

**The Toronto World—Largest Circu-
lation—greatest advertising medium.**