

66
N. COMPANY, LIMITED
Tuesday, Feb. 27
Telephone 5800.
Housers
\$3.50
\$1.98
1.98
DUNT
Canada.
oper
nition
Co., Limited
PERJURY.
6 KILLED; 12 WILL DIE.
English Officers for Canada
Rush of Applications to Join Our Permanent Force.
A FINE SMOKE.
DO YOU WANT COOL SMOKE.

\$4,700
Asses, new brick residence, 9 rooms, hot water heating, verandah, two over-mans.
H. H. WILLIAMS & CO.
26 VICTORIA STREET.

TWENTY-SIXTH YEAR

TEN PAGES—WEDNESDAY MORNING FEBRUARY 28 1906—TEN PAGES

ONE CENT

OLD POLICIES COMBINE TO INCREASE THEIR VALUE \$50,000,000

INQUIRY AND COMMISSION ON NIAGARA FALLS POWER

RECOMMENDED TO GOVERNMENT
NIAGARA FALLS POWER
Niagara Falls Park Commissioners Urge That International Committee Go Into Whole Question of Diversion of Water, and That Certain Charters Be Cancelled.

The instituting of an international commission to decide upon an equitable distribution of the source of electrical power contained in Niagara Falls, and a careful inquiry by the Ontario government into the charters granted to Ontario power companies; these were the important recommendations made in the annual report of the Niagara Falls Park commissioners submitted to legislature yesterday.

In the following form were the recommendations made:
1. That the whole subject involving the further diversion of water from Niagara River for power development in excess of the charters now being exercised be referred to an international commission appointed by the governments directly interested, territorially or otherwise, in order that an agreement may be arrived at between such governments as to further withdrawals of water on both sides of the river.

2. That a careful inquiry be made by the government indicated respecting the charters already granted, but in regard to which no works whatever have been commenced, with a view to cancellation of the same.

Public Opinion Aroused.
The extent to which public interest has been aroused in the utilization of Niagara power, was attributed largely to the efforts of the Niagara, Lockport and Ontario Power Co. to secure 400,000 electrical horsepower, or about one-sixth the volume of outflow from Lake Erie at mean water level. One result of the agitation had been criticism of the commissioners for recommending the granting of corporate franchises. Their attitude was defended on the ground that the Creator's works were made for man's use, and that the lavish display of power there witnessed should be made the subject of scientific investigation with a view to its adaptation for some economic use.

In the last 20 years development in the science of creating and transmitting electricity had opened up practical methods, and these discoveries were being made use of by American capitalists who had opened up large hydro-electric works on their side. The commissioners believed it would be wise to secure the same falls of Niagara for the Canadian shore, so that the flow over the Canadian side would be about 90 per cent. of the total water power available. The Canadian side getting the benefit of 405,000 electrical horsepower, or about 25 per cent.

Ten Additional Charters.
There had been charters issued for the utilization of Niagara power, and four more Canadian, so that it was important that all rights be granted should be kept in view. Of the 10 non-developing companies that had got authority to use Niagara power on both sides of the river, the limited as to the quantity, and should their undertakings be carried out upon the Canadian side, there would be no question but that the falls of Niagara would be completely destroyed.

It was obvious that the public agitation for restriction in the further obstruction of Niagara River water was well founded. The governments territorially interested should make a full investigation of the matter without further delay, in order that the great cataraacts might be saved from irreparable spoliation.

No Marking of Power.
Dealing with the operations of the Canadian Niagara Power Company, the report expressed that owing to delays in building transmission lines, there had been no great marketing of the power. The power was being supplied to Niagara Falls and its local industries. But as the total amount of power required for these purposes is alleged to be within the quantity which the company is entitled to use under the provisions of its agreement in re-

Ontario Liberals Still Boasting.
Ontario Liberals are still going about boasting that the Laurier banquet was the biggest thing of the kind this continent has ever seen. They claim that in point of numbers and in the high class of oratory heard, the Laurier banquet is a thing the country should be proud of. When one remembers that the enthusiasm of a meeting was not worked up by alcoholic beverages, but that only refreshing, stimulating, invigorating, and water was used, one feels that the chemistry of nature is more potent than that of man, and that the famous water coming from its spring in the heart of the Laurentian Mountains indeed proved itself a beverage to cheer and yet not to intoxicate and one best suited to after-dinner speaking. The coming of a successful politician should always keep dinner at his house, ask for it at his favorite restaurant and refuse to use any other mixer than water.

Finest billiard academy in Canada.
The White Elephant billiard and bay site. Have you an accident and sickness policy? See Walter H. Night, Confederation Libe Building. Phone M. 270.

Edwards, Morgan & Company, C. A. T. Accountants, 25 Wellington St. East. Phone Main 1163.



JEAN BAPTISTE KNOCKS WILFRID'S HALO OFF.

Telephone So Useful That People Must Own

Manitoba Commission Report
That People Must Own
BRITISH COMMONERS MAY RECEIVE AN INDEMNITY

As Result of Government Inquiry
Manitoba Will Seek Power to Take Over All Systems Within the Province.
Winnipeg, Feb. 27.—(Special.)—The phone question was revealed to-night following the report of the investigating committee this morning recommending government ownership. Hon. Colin Campbell gave notice of motion of a bill which he will read for the first time to-morrow, giving the province power to purchase, lease or contract both telephone and telegraph systems not only in the rural districts, but also in the cities.

The bill gives the government power to purchase by way of expropriation "from any person or corporation owning any interest in any telephone or telegraph system in the province, the whole or any portion of their interest." The bill also gives power to issue debentures for the purpose of raising funds with the object of home on parliamentary duties; Newfoundland, Cape of Good Hope, members resident within 15 miles from the house a guinea each day for attendance more than 15 miles, a guinea remuneration and 15 shillings allowance for personal expenses for every day's absence from home on parliamentary duties; Newfoundland, Cape of Good Hope, members resident within 15 miles from the house a guinea each day for attendance more than 15 miles, a guinea remuneration and 15 shillings allowance for personal expenses for every day's absence from home on parliamentary duties.

Australia's Pension Scheme
Commission Makes Report Which Will Likely Be Acted Upon.
London, Feb. 27.—Australia's pension commission, of which the postmaster general is chairman, recommends that the commonwealth grant pensions of ten shillings weekly to all persons of 65 years of age, who have lived twenty-five years continuously in the country, or at 60 years in special cases to persons who may possess means only up to 25 pounds a year. The estimated cost is one and a half million sterling annually. The next parliament is likely to legislate on these lines.

WAS TO RECEIVE COMMISSION
Anderson Admits an Understanding With G.T.P.
Victoria, B.C., Feb. 27.—(Special.)—The Kaituma Island land grant scandal is growing.
To-day J. A. Anderson, to whose wife Lands Minister Green has already admitted discussing government plans as to the G.T.P. terminus, said he was under an agreement to receive \$60,000 commission from the railway company if the deal went through. Previously Anderson had denied any such arrangement.

English Officers for Canada
Rush of Applications to Join Our Permanent Force.
London, Feb. 27.—Lord Strathcona received so many applications from English officers anxious to obtain commissions in the Canadian militia that there is no opening in the permanent force. Some misapprehension apparently has arisen here on the subject.

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, is general chairman, recommends that the commonwealth grant pensions of ten shillings weekly to all persons of 65 years of age, who have lived twenty-five years continuously in the country, or at 60 years in special cases to persons who may possess means only up to 25 pounds a year. The estimated cost is one and a half million sterling annually. The next parliament is likely to legislate on these lines.

DO YOU WANT COOL SMOKE.
Then buy Alvie Bolland's cool Tobacco No. 7.

WHY DO SHAREHOLDERS TAKE \$80,000?

Section of the Canada Life's Charter Limits the Power of Policyholders' Directors—How Shareholders Have Interpreted "Ten Per Cent."

The annual meeting of the Canada Life Insurance Company takes place in Toronto to-day. The purchasers of 48,000 policies will be interested to learn what the six directors on the board have done for them since they were appointed.

It may be said that the policyholders' directors are helpless on account of the following section in the act of parliament which in 1899 amended the Canada Life charter.

"The shareholders and the directors elected by them shall have the exclusive control of the question of the proportion of profits not exceeding ten per cent. thereof to be allotted to the shareholders, and of the mode of dealing with such proportion, and of all matters relating to the capital stock of the company."

It is difficult to understand how persons like Mr. James Ross, one of the wealthiest in Canada, or Mr. J. W. Flavelle, also a great business man, could accept positions on a board of directors where they might be told at any time to leave the company while the other directors considered matters relating to the capital stock and the payment of dividends to the shareholders. Still, they did accept.

A directorship is just as important a post as a director wishes and has the capacity to make it. Altho the policyholders' directors apparently have nothing to do with the capital stock, they at least should have something to say when any attempt might be made by the owners of the capital stock to milk the capital assets of the policyholders.

Before the present Canada Life regime was inaugurated, on a paid-up capital stock of \$125,000, \$25,000 a year was paid to shareholders. The capital stock paid up in cash has increased by \$875,000, on which just about eight per cent. has been paid.

That is to say, in round figures the assets of the company have been charged with payments to shareholders of \$80,000 against \$25,000. The earning power of the assets of the Canada Life during 1904 was a little less than 4 1/2 per cent., which means that the additional \$875,000 put up by shareholders, by a method, the details of which it would be interesting to know, actually earned at 4 1/2 per cent. \$39,375. But the \$875,000 took \$70,000, leaving a balance of over \$30,000 paid to shareholders in dividends, which could only be taken out of the profits earned by the policyholders' money.

THE FIRST EFFECT UPON THE POLICYHOLDERS, THEREFORE, OF INCREASING THE CAPITAL BY \$875,000 WAS TO MAKE THE EARNING POWER OF \$685,000 OF POLICYHOLDERS' MONEY ABSOLUTELY USELESS TO POLICYHOLDERS BECAUSE IT HAD TO PAY \$30,000 EVERY YEAR TO SHAREHOLDERS.

Put it another way. The \$25,000 a year, formerly paid to shareholders, an equivalent of 25 per cent. on their paid-up capital, absorbed the earning power of about \$400,000 of policyholders' money, in addition to the earning power of the \$125,000 put up by the shareholders. To-day the \$80,000, dividends to shareholders, absorbs the earnings of over three-quarters of a million dollars of policyholders' money, in addition to the earnings of the million dollars subscribed and paid for in cash by the shareholders.

Whichever way you look at it, the policyholders have the worse of the deal. No sufficient reason has been given or can be given for the increase of the paid-up capital of the shareholders, and while the able men who represent the policyholders on the board have apparently no control over any matter relating to capital stock, NOTHING EXCEPT THEIR OWN ACQUISITION, COULD DEPRIVE THEM OF THE RIGHT OF TELLING THE SHAREHOLDERS' DIRECTORS TO THEIR FACES THAT THEY HAD NO RIGHT WHATSOEVER IN ORDER TO MAKE GAINS FOR CAPITAL STOCK, TO REDUCE IN EFFECT, THE EARNING POWER OF THE POLICYHOLDERS' MONEY, ESPECIALLY AS THE POLICYHOLDERS WAS RECEIVING LESS PROFITS THAN HE FORMERLY DID.

The clause of the charter, quoted above, limits the shareholders' profits to ten per cent. Here is a table which shows examination:

	Assets	Capital Paid Up	Percentage of Capital to Assets	Total Net Profits	Dividends Paid to Shareholders	Percentage of Dividends to Shareholders
1901	\$24,264,790	\$44,220	0.18	\$44,220	\$1,118	2.52
1902	\$24,986,882	\$81,280	0.33	\$45,540	\$7,723	17.20
1903	\$27,180,007	1,000,000	3.71	\$314,441	\$7,502	2.40
1904	\$29,044,559	1,000,000	3.44	\$376,479	\$7,919	2.10

The explanation given may be that the shareholders' capital has a right to a fair interest. Agreed. But what is a fair interest? What services did the \$875,000 render the policyholders which the policyholders' reserve of \$23,560,510 in 1901, or the policyholders' \$23,064,559 in 1904, could not render itself?

There seems no escape from the conclusion that the shareholder put an extra load on the policyholders' money, unless the profits in each of the years 1902, 1903, and 1904, were over \$80,000, and the directors have been saving up a delightful surprise for the owners of the twenty-eight millions.

MORE MINIMUM POLICY GRIEVANCES.
Mr. Geo. Wilson of 798 Hellmuth-avenue, London, has sent The World the documents concerning the "minimum" policies in the Canada Life which were taken out in 1888 for \$6000. Mr. Wilson says he was induced to take the policies by an agent who verbally guaranteed that the profits stated to be possible would be earned, and that he would not have taken the policies if he had thought there was any chance of the policies not being realized.

At first there were certain bonuses added to the policies, but all except \$100 has been taken off, so that after 18 years the policies represent only \$600.

Mr. Wilson calculates that at 5 per cent. compound interest his premiums have amounted to \$7500. He also states that the Canada Life offered him \$1300 cash to surrender his policies. He is 75 years of age.

Mr. Arthur Johnston, a farmer of Greenwood, came to The World office yesterday to express the appreciation of himself and neighbors of our effort to bring daylight into twentieth century insurance methods. Mr. Johnston bought a Canada Life insurance policy in 1889 for \$2000, believing that he would be enlarged by bonuses. But the policy is worth only \$925, a lien of \$75 having been made against it.

The Canada Life will know to whom we refer when we ask whether a certain minister of the crown whose "minimum" policy was as disappointing as those of Mr. Wilson and Mr. Johnston went to the Canada Life office, "and" the management to take off the lien.

Correspondent draws attention to what he calls "just a curious coincidence" in the appointment of the insurance commission. He says: "Note the relationship between Mr. Langmuir's board of directors of the Toronto General Trust Corporation and the boards of several insurance companies."

President—John Hoskin, L.L.D., director Canada Life.
Vice-President—W. H. Beatty, president Confederation Life.
Director—Hon. S. C. Wood, vice-president Imperial Life.
Director—Hon. J. J. Fox, vice-president National Life.
Director—Thos. Long, vice-president Northern Life.
Director—John L. Blaikie, president North American Life.
Director—W. D. Matthews, vice-president Confederation Life.
Director—B. B. Oaker, director Confederation Life.
Director—J. G. Scott, director Federal Life.
Director—B. E. Walker, director Canada Life.
Director—D. R. Wilkie, director Confederation Life.

(Continued on Page 4.)

TO-DAY IN TORONTO.
Ash Wednesday.
Lenten services, St. James' Cathedral, 11 a.m. and 12.30.
Ontario Land Surveyors' annual meeting, Parliament Buildings, 10.2; banquet at 8.
Woman's Art Association, 10.15.
Northern W. C. T. U., Westminster Presbyterian Church, 8.
Robertson Auxiliary, Cooke's Church, 8.
Toronto Driving Club, banquet, King Edward, 8.30.
Princess, Johnny Jones, 2-8.
Grand, The German Tivoli, 2-8.
Selwyn, Carter's Last Year, 2-8.
Shea's, Fadette Orchestra and vaudeville, 2-8.
Stat, Dainty Pares, burlesques, 2-8.

BIRTHS.
MACINTOSH—At "The Cottage," 31 Broadview, on Wednesday, the 21st inst., the wife of J. A. Macintosh of a son.
WALKER—At Atherley, 566 Jarvis-street, Toronto, on Tuesday, Feb. 27th, the wife of Clifford Walker, a daughter.

MARRIAGES.
MUIRHEAD—WILSON—On Feb. 27th, inst., by Rev. H. Francis Perry, D.D., John A. Muirhead to Bertha, Merida Wilson, all of Toronto.

DEATHS.
COOKE—On Tuesday, Feb. 27th, 1906, at her late residence, Rathurst-street, wife of J. Cooke, aged 53 years.
Funeral from her late residence, Thursday, March 1st, at 2 p.m., to Prospect Cemetery.

10c CIGARS FOR 5c.
Conqueror, the Havana, made and sold by Alvie Bolland.

Maltese Cross Rubbers.

ASCOT.
MILDER.
Minimum and maximum temperatures: Dawson, zero-19; Atlin, 2 below-14; Port Simpson, 38-44; Victoria, 38-50; Vancouver, 37-50; Kamloops, 36-50; Calgary, 12-44; Edmonton, 10-32; Swift Current, 11-46; Winnipeg, 16 below-16; Port Arthur, 1 below-26; Parry Sound, 2 below-14; Toronto, 8-17; Ottawa, 2-16; Montreal, 4-20; Quebec, 2-16; St. John, 22-32; Halifax, 29-42.
Probabilities.
Lower Lakes and Georgian Bay—Winds becoming variable; sea and a little higher temperature.
Sabbat Metal. The best made, Canada Metal Co.
Try York Springs Soda with your Scotch or rye. It is the best.
STEAMSHIP ARRIVALS.
Feb. 27
At
Corinthian.....Halifax.....From
Hungarian.....Portland.....Glasgow
Mogolian.....Halifax.....Glasgow
Astoria.....New York.....Glasgow
Celtic.....Glasgow.....New York
Hamburg.....Glasgow.....New York
S. Williams.....Bremen.....New York
R.W. der Gr.....New York.....Bremen
Kronland.....Antwerp.....New York

DO YOU WANT COOL SMOKE.
Then buy Alvie Bolland's cool Tobacco No. 7.

J. W. LANGMUIR.
A. L. KEAT.