

Bloor St. Investment

A new detached brick store; only \$5000; leased at \$600 per annum. H. H. WILLIAMS & CO. 28 King Street East.

The Toronto World

ELVE PAGES—WEDNESDAY MORNING FEBRUARY 22 1911—TWELVE PAGES

Yonge St. Store to Rent

\$100; excellent location for gent's furnishings or restaurant business. H. H. WILLIAMS & CO. 28 King Street East.

PROBS: Strong westerly winds; mostly fair, with snowdrifts; higher temperature.

31ST YEAR

TRAVERS SAYS TRUST CO. \$175,000 Loan and \$120,000 Deposit Merged FORCED ADDED SECURITY

Former Manager Declares That Farmers' Bank Branches Were Milked of Notes to Provide \$300,000 Collateral for Consolidated Debts on Eve of Collapse—Hughes Charles' Story Told.

For just about ten minutes at the close of the hearing of the conspiracy charges against the provisional directors of the Farmers' Bank, J. J. Warren and J. R. Stratton, Dr. Beattie Nesbitt and C. H. Smith in police court yesterday afternoon, those present in the court room had one more view of the old dominant Travers, who drove thru the organization of the bank, crushing all obstacles before him. And out of the evidence the closing moments of the hearing it is possible that further charges will be laid to-day.

On a sudden the air of the courtroom grew tense. Matthew Wilson, K.C., counsel for J. J. Warren, had been pressing Travers on cross-examination, seeking to have him say plainly and without qualification that the deposit slip given by the Traders and Guarantee Company to the bank at the time of the visit of Secretary Knight of the Bankers' Association represented a bona fide transaction.

Had \$120,000 Deposit. "Yes," with the added qualification, "as far as it goes," was as far as he could get Travers to go. A moment later Crown Attorney Corley took the witness for re-examination.

"It might as well all come out," said he as he took the witness. He then proceeded to draw from Travers the statement that, in its closing days, the bank owed the trust company, on a loan secured by Keeley Mine and other stocks, the sum of \$175,000, and also a deposit of \$120,000, which would rank as an unsecured claim upon the same basis as any other deposit.

Travers declared that he needed more money and went to the trust company's office to negotiate a further loan. There he discussed the making of a further loan. He discussed the affairs of the bank and company with S. C. Morden of the company, and Matthew Wilson, K.C., who was acting as its solicitor.

The company proposed to withdraw its deposit of \$120,000. Travers says that he told them that the bank could not meet the withdrawal, and, in fact, must have more money to go on with.

Asked More Security. Either Mr. Wilson or Mr. Morden told him that they were not satisfied with the security for the loan, nor with the unsecured condition of the deposits, and someone, Travers could not say whether it was himself or one of the others, suggested that the loan and deposit be consolidated in a new loan for which additional security be put up and that further moneys might be forthcoming to enable the bank to go on.

Travers pointed out, he said, that under a section of the Bank Act, it was an offence to give credit on an undue preference over other creditors by way of added securities. He was told that, if this was so, the bank would be liable for criminal responsibility, and that, as they were supplying the pressure, he would be released. The loan and deposit were consolidated as a new indebtedness of \$225,000, and \$300,000 worth of notes were called into the head office of the bank from the branches and put up as security for the consolidated debt.

Got No More Funds. No money was then advanced nor was Travers able to secure any further advance, but he says that on one or two occasions Mr. Wilson and Mr. Morden told him, when he urged that the bank must have money or close its doors, that it might as well suspend one day as another. This was a story drawn from Travers by Mr. Corley.

When this evidence was given, Magistrate Denton remarked that it did not appear to be an offence to take an undue preference while it was going on. Mr. Wilson rose to say that at the supreme court decision held that, where there was pressure for a debt, it had been held that the giving of such preference or additional security was not held to be criminal.

Company Paid in Full. At the close of the hearing Mr. Warren stated that the company had been paid in full. It was afterwards stated that this had been done under protest. Mr. Warren asked that it be stated that the Trust Company is well and strong financially.

Mr. Hughes Charles' Letter.

This is the letter, read in court yesterday, which H. Hughes Charles of Montreal wrote to Sir Edmund Walker, when Sir Edmund was general manager of the bank of Commerce and Mr. Charles was manager of the Peterboro branch of that bank. Yesterday he swore that it contained a correct account of the conversation between Mr. Stratton and himself, relative to the loan of the Traders and Guarantee Company to the Farmers' Bank, by which the bank was able to make its deposit with the finance department and secure the certificate to open its doors for business.

Peterboro, Dec. 10, 1906. "Dear Mr. Walker: "I do not know whether the conversation I had with Mr. Stratton was considered by him as private or not, but it took place openly at an afternoon tea on yesterday week and (here follows a name which was not read) and ladies were present.

"He asked me how I would like to buy some stock in the Farmers' Bank and I told him that I thought that it was a poor institution, and did not think it would go on anyway; then he said he had made them an advance of \$80,000 to make their cash deposit with the government. I asked him if he was not taking a great risk and he said no, he got everything they had as security. I asked him what he meant by that and he said the farmers' notes which had been given for stock, and that he had ample margin and was getting 8 per cent and a bonus.

"He did not say whether the advance had been made by the Traders' Bank of which he is vice-president, or by his trust company but I rather think it must have been the latter.

"I was on the train on Friday evening when I was returning from Toronto and he volunteered the information that his loan had been repaid in full with interest and bonus.

"Yours truly," B. E. Walker, Esq., General Manager, Toronto, Ont. (signed) H. Hughes Charles.

This is the letter of which Mr. Stratton, in a published statement, has said: "I am entirely at a loss to understand what conversation could have taken place that would lead Mr. Charles to make such statements as the letter is said to contain."

APPLAUSE FOR SPEECH AGAINST RECIPROCITY

An Unprecedented Outbreak of Feeling From the Galleries of House of Commons—Hon. Rodolphe Lemieux Tries to Minimize Effect of Toronto Demonstration.

OTTAWA, Feb. 21.—(Special.)—Tradition was annihilated in the house of commons shortly before 8 o'clock this afternoon. Dr. Spruille was denouncing the reciprocity pact in vigorous terms. He had reached the point in his argument which showed that the meaning of the arrangement was the absorption of Canada's trade by traders of the United States, and Canada would find their destiny confined to absorption by the republic. At this point there came an outburst of applause from the public gallery.

The sergeant-at-arms looked for instructions. The applause, however, ceased as suddenly as it had begun and the officials of the house thought it better to take no notice of the transgression. This is said to be first occasion on which the commons has received applause from the galleries since confederation.

Hon. Rodolphe Lemieux spoke in reply. It was the first important deliverance by the postmaster-general since his return from South Africa. Towards the close of his speech he took a hint at Montreal and Toronto business men who had declared against reciprocity. They included, he said, a number of bankers, trust men, trustees and insurance men, who feared that the agreement would mean fusion.

B. Ames (Montreal) moved the adjournment of the debate. Leaving the Imperial Drum. G. Kyle (Edmonton, N.S.), continuing the debate on the reciprocity pact, gave an enthusiastic endorsement of the government's proposals, more particularly because of the good effect on the industries of the Maritime Provinces. At the outset Mr. Kyle remarked that but little new ground has been broken by opposition speakers. The imperial drum had been beaten and the staking horse of annexation had been trotted out, there had been an abundance of pessimistic views and lachrymose sentiments, but no real arguments against the proposals. If a reciprocal agreement in natural products was to be of advantage in 1911, why would it not be equally advantageous in 1911? queried Mr. Kyle.

Mr. Kyle, with the idea of refuting the argument that Canadian railways will suffer, referred to the announced determination of the C. P. R. to proceed with the construction of the shorter grain route from Victoria Harbor to Montreal.

Trade With Maritime Provinces. Dealing more particularly with the benefits which would result to the Maritime Provinces under the agreement, Mr. Kyle said that with the exception of coal and steel, reciprocity between the Maritime Provinces and Ontario would be a mutual benefit. An exchange of the manufactured products of the latter for the cash currency of the people by the sea. At times, he admitted, there was a market for Maritime potatoes in mid-Canada, and fish to a limited extent came as far east as Montreal, but the natural market for such products, was to be found in the United States. The people



BADEN-POWELL Founder of the boy scout movement, who to-day celebrates his sixty-first birthday.

SEEK MARKET IN NEW ONTARIO

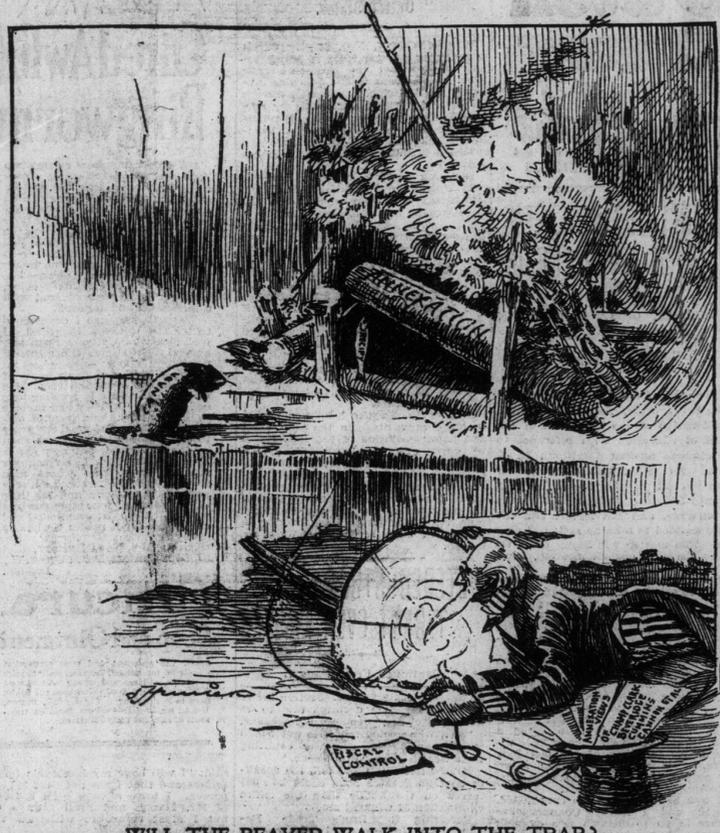
Hon. Mr. Cochrane Advises Manufacturers to Look Elsewhere Than to West.

The banquet tendered the Ontario Associated Boards of Trade by the Toronto board at the National Club last night was a decided success both in the number who attended and the enthusiasm that prevailed. The main objective of boards of trade, almost since the first organization, has been the promoting of the commercial welfare of the municipality, and it is only in recent years that they have broadened their aims to include other phases in the life of the district in which they act.

The gathering last night, at which representatives from every district in Ontario were present, was remarkable in that interest centred on the subject of agriculture, and development of natural resources. The boards of trade in this province are recognizing that agriculture is the nucleus of Ontario's prosperity and importance as a part of the Dominion and agricultural development has been made one of the objects of the first provincial chamber conference.

President R. S. Gourlay, who occupied the chair, said he deemed it a great honor to be president of the Toronto Board of Trade in the year of the inauguration of the Ontario Associated Boards of Trade, which he referred to as Ontario's trade parliament. A. J. Young, M.L.A. of North Bay, in proposing the toast to "New Ontario," said: "We people in the west are trying to show you what a heritage

A DEAD-FALL



WILL THE BEAVER WALK INTO THE TRAP? MAKING CANADA THE LOOSE FRAGMENTS OF A NATION

Another Annexation Proposal. BISMARCK, N. D., Feb. 21.—Annexation of Canada came before the legislature to-day when Representative Sorlie introduced a resolution declaring that the measure pending before congress and the Canadian Parliament, relating to the free exchange of farm products, shows that the two countries have interests in common.

It is also contended in the resolution that the people of the two nations can both be served under the same government. Pointing to the fact that Western Canada is largely populated by citizens of the United States, the resolution asks North Dakota members in congress to use their influence in bringing about a peaceable annexation treaty.

MASKED MAN WITH GUN STRUCK DOWN JEWELER Daring Attempt at Daylight Robbery on Spadina Ave. Failed—Assailant Escaped.

A bold attempt at robbery was made in the jewelry store of W. Wharin, 441 Spadina-ave., at 4:30 yesterday afternoon, when he was struck on the head with the butt of a massive revolver in the hands of a masked man.

In its nature, the occurrence resembles the burglaries in Mrs. Davie's liquor store, North Yonge-st., and in Wellwood's fruit store on Yonge-st., near Richmond, for which Alex. Rose was sent to penitentiary for life.

Mr. Wharin had just finished waiting on a customer, when he heard a shuffling sound in the rear of his shop. He stepped to the doorway, and beholding a masked man, started back. He asked the man how he came in and was told by the front door. As he turned to go again to the front, Mr. Wharin was floored by a blow on the back of the head. But the blow did not stun him sufficiently to permit his assailant to rob the till. He staggered to his feet and the man struck out once more and fled.

Monster Meeting of Protest Against Reciprocity Deal Was Held at Hamilton—Resolution Passed Calls on Government to First Ascertain the Opinion of the Whole Country on the Question. HON. GEO. E. FOSTER PRINCIPAL SPEAKER

HAMILTON, Feb. 21.—(Special.)—Association Hall was crowded to-night at a mass meeting of citizens held for the purpose of protesting against the proposed reciprocity agreement between Canada and the United States.

The speaker of the evening was Hon. Geo. E. Foster, who denounced the government for its foolishness in proposing to enter into a ruinous agreement with the United States at a time when Canada was just on the threshold of the promised land, as it were, and he pointed out a number of ways in which the country was sure to be disastrously affected. He was heartily cheered at the conclusion of his address, and by a standing vote the vast audience adopted a resolution of censure on the government.

Resolved that citizens of Hamilton, assembled in mass meeting, believe that the sober sense of the country as a whole is against any change in the trade policy under which Canada has grown to her present limited state of prosperity.

That we consider it to be the bounden duty of every Canadian to resist to the last anything that might endanger our status as a component part of the British Empire, and that we feel that a treaty such as proposed might easily prove to be the entering of a wedge that would eventually result in the separation of our interests from those of the mother land.

That we hereby record the unalterable opposition of our countrymen to the proposed reciprocity treaty with the United States, which treaty would involve the country in dangers not yet fully realized, and we consider that the government should first ascertain the opinion of the whole country on this question and receive a definite mandate thereon before committing it to a change so revolutionary as this reciprocal trade policy, threatening not only the trade but also the more vital interests of Canada as a nation.

A SIGNIFICANT RESOLUTION WINNIPEG, Feb. 21.—The Winnipeg Grain Exchange, by a large majority, passed the following resolution: "Resolved, that in the opinion of the members of the Winnipeg Grain Exchange, the proposed measure of reciprocity in trade between Canada and the United States of America, now under consideration at Ottawa and Washington, if ratified, will not be in the best interests of Canada."

GOVERNMENT SHOULD WAIT, SAYS BOURASSA Should Not by Indecent Haste Make Americans Believe Canada Hungry for Reciprocity.

MONTREAL, Feb. 21.—(Special.)—The opposition is so very pronounced here against the Washington arrangement, that Mr. Bourassa, who came out at first against the measure, is now obliged to declare in his paper, Le Devoir, that the ministers at Ottawa should wait. Mr. Bourassa says that Ottawa cannot decently ratify the agreement before the result is known at Washington. Mr. Fleiding addressed Mr. Bourassa, stating that the Canadian Government would suspend the operation of the new tariff up to the time the American authorities have manifested by their legislation and their administration acts their good faith.

This, however, is not sufficient, for, according to Mr. Bourassa, about many people will be doubtful about accepting the opinions of Sir Wilfrid Laurier and that of Canadian and other annexationists of yesterday, and the Nationalist order also wants the Parliament of Canada to down this annexation question once and for all. He wants the house of commons of Canada to make an explicit and formal declaration that the representatives of the Canadian people are firmly determined to conserve intact the political autonomy of Canada and the which binds them to Great Britain.

Throwing Down Our Ideals. Hon. Mr. Foster said that for the last forty years he had been making sacrifices and he asked if we were now to throw down our ideals. If we did, we said, we would be the loose fragments of a nation. The proposed trade agreement was not a real reciprocity pact anyway, said he. The United States

Continued on Page 7, Column 6.

WATERED STOCK TYRANT OVER MASSES

Over-Capitalization and Mergers Which Raise Prices Exorbitantly Go Together in Ontario, Declares J. W. Johnson—Alleged Canning Monopoly Vigorously Assailed—Bill Finally Withdrawn.

Cabinet ministers and the members of the Ontario Legislature at large paid close attention to the speech of J. W. Johnson, West Hastings, upon the question of watered stock yesterday afternoon. The sequel was an animated debate with the mover, a government supporter, refusing to accede to his leader's suggestion to withdraw the bill. The prime minister had been given to understand that the measure was introduced to enable the mover and the hon. member to discuss the position of affairs with respect to over-capitalization.

All might have gone smoothly but for the fact that Allan Studholme rose with a denunciation of anybody who would be weak-backed enough to withdraw a good measure just because his party didn't like it. Mr. Johnson retorted quickly the imputation and declared that he would press the motion. When the vote was taken it was lost, of course, and Mr. Johnson did not call for a division, but it occasioned a very heated debate.

Watered stock a Tyrant. Mr. Johnson declared that "watered stock made the poor man poorer and the rich man richer. It was an instrument of tyranny, the evil of which had been exemplified in the United States. It was applied in effecting mergers and combinations. The burden of the cost to the consumer was the promise of an increased production and a reduced price. The results were inevitably the reverse.

"Extortion" was not a strong enough word to describe the way the express companies had filled their coffers. The Canadian Express Co. had, with a capital asset of \$249,000, watered its stock up to \$2,000,000, and the Dominion Express Co. had beaten this a long way.

The effect of the merging of small companies for the purpose of getting control of a certain output was noted in the formation of the Canadian Canning Company, and the subsequent consolidation with the Dominion Canners, Limited. They controlled 80 per cent. of the canned goods consumed in Ontario, and where we used to get three cans of tomatoes for a quarter, we get only two now. Where corn used to sell three cans for a quarter, it is now ten cents a quart.

Canning Company's Capital. The Canadian Canners, started by merging 24 factories, then the Dominion Canners added 14 more. Thirty thousand dollars each would be a high valuation to put on the 48 factories, so that \$1,440,000 would be the limit of their tangible assets. Yet the capitalization was \$5,700,000. The difference of \$4,260,000 is watered stock, and the company had, under its charter, the reserve power to issue \$12,000,000 more of stock.

In 1910 the company made a profit of \$400,000, which was 27 per cent. on its actual assets. These profits were made by eliminating competition and getting control. Continued on Page 2, Column 3. GREAT IS HON. ADAM BECK.

Hon. Adam Beck has been elected a director of the National Horse Show Association of America, Limited, of New York. He also has been appointed American representative of the association, to judge, in conjunction with an English and continental representative, at the International Horse Show, Olympia, London, during coronation week.

G. F. M'FARLAND CHOSEN. The Unionist party of University College announce G. F. M'Farland, B. A., '02, as their candidate for the presidency of the Literary Society. The election will take place March 10.

Fun for Playgoers. A barrel of fun is in store for those who attend the big musical production, "The Girl in the Train," which, with that favorite comedian, Frank Daniels, at the head, will be seen at the Princess Theatre Thursday night and for the balance of the week and Saturday matinee. "The Girl in the Train" is hilariously funny and has been a decisive hit everywhere produced this season.

THE BEST SPRING HAT. If you buy a hat to-day it should be a new spring hat. The imported one that comes with the name of a big maker on the inside band is the one for you, for that ensures you will have something exclusive in style and quality. The Dinesen Company is sole Canadian agent for Henry Heath of London and Dunlap of New York. These hats are the world's leaders. The spring blocks are now all on sale.

WORLD SUBSCRIBERS are kindly requested to telephone Complaint Department, M. 5208, for irregular or late delivery of their paper.

de Gloves for this Year Long Undressed-French clearing lot manufacturer; tan, brown, from 12 to 20 hrs, mousquet at wrist; all at \$2, \$2.50. Wednesday, pair

Goods Now them Up fine quality designs of flowers, in pink, also in polka

Another fav-spring and sum-undifferent from pink, daisy, and other combina with or without bor-

Fresh Rolled 36c. Canned Tomatoes, only 3 tins to 10c. 3 tins 25c. Clover Honey, Canned Yellow 25c. Bacon, peameal, per lb. 20c. Parsnips, Happy 30c. Hard Powder, 3

Breakfast Cereals, 75c. Peas, 8 lbs. 25c. Pancake Flour, and Stake, per tin

1-3 and 1-4 Wednesday

Continued on Page 7, Column 4.

Continued on Page 7, Column 3.

Continued on Page 7, Column 5.

Continued on Page 7, Column 6.