### TUESDAY MORNING

## THE TORONTO WORLD

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### SIR GALAHAD'S SANGREAL,

Sir Galahad in the person of W. R. Brock, representing the Toronto Electric Light Company in its application for power to increase its capital from \$3:000,000 to \$4,000,000, appeared before Hon. W. J. Hanna and representatives of the board of control yesterday at the Parliament Buildings.

Sir Galahad and his band of willing workers urged haste on the part of the cabinet ministers. In short, the Toronto Electric Light Company needed the money. The sangreal Sir Galahad was after was \$600,000 to go into the pockets of the shareholders of the Toronto Electric Light Company; and Controller Hubbard revealed the plot. The city's bill before the legislature asking for expropriation of the Toronto Electric Light Company should be, and we believe is, the first considera-

Niagara.

vites his strong and earnest support.

cover it if he takes up its pursuit.

HOLDERS. In the United States, as in Canada,

public attention is being increasing-

ly directed towards the evils attending the over-capitalization of public

service companies. That excess of

capital is due almost entirely to the

practice of issuing stock, not for the

legitimate purposes of the service, but

in order to secure speculative or anticipated profits, and it, therefore, im-

poses a burden on the undertaking

which it ought not to be asked or

expected to carry. Deals of this kind

are wholly antagonistic to the inter-

est of the general public, on whose

behalf the franchise grant was made.

Or. any just and fair interpretation

of the relationship between the peo-

ple and a franchise-holding corpora-

tion, it is unquestionably its duty to

limit its capitalization to the true

cost of the buildings, plant and equip-

ment necessary for the proper and ef-

ficient operation of the service. In

this way a public-service corporation

is really a trustee for the public with

whom it contracts, and it becomes the

duty of its directorate to keep its

fiduciary obligations to the public

clearly before them. Writing on

"The Ethics of Corporate Manage-

nent," in the last number of The North American Review, Arthur blished every Twining Hadley, president of Yale University, dealing with this point, said: "The president of a large cor-SCRIPTION RATES IN ADVANCE. poration is in a place of public trust

tatives, entrust the operation of a public service or utility to a private company, it is the duty of that company to limit its capitalization to the lowest amount consistent with the

proper conduct of the undertaking, and to make the lowest rates and charges, after allowing a fair return upon the sums invested and providing for other proper charges. If the proceeds of bonds or stocks issued are not needed for the proper purposes of the enterprise, their issue is a direct breach of public trust. Pronouncing on this matter, the Supreme Court of the United States said: "If a ratiroad corporation has bonded its property for an amount that exceeds its fair value, or if its capitalization is largely fictitious, it can not impose upon the public the burden of such increased rates as may be required for realizing profits upon such excessive valuation or fictitious capitalization." And, again, the same court remarked: We hold that the basis of all calculation as to the reasonableness of

rates to be charged by a corporation maintaining a highway under legislative sanction, must be the fair value of the property being used by it for the convenience of the public." These dicta are clearly applicable to all corporations undertaking the operation of public services, and their soundness in law and equity is undoubted

It is reported that President Roosevelt favors the proposal made my Senator LaFollette of Wisconsin by which railroad charges would be limited to a fair return on the property actually invested. The president's line of policy in regard to public-service corporations is stirring up revolt in many of the states against the outrageous over-capitalization which is their common ear-mark, It has, therefore, been very pleasing to tion of the city council and the city's Wall-street to discover that Mr. representatives in the legislature. Roosevelt holds \$10,000 6 per cent. With cheap power almost at hand, it bonds of the St. Paul, Minneapolis &

## THE TORONTO WORLD

# THE RAILWAYS AND THE BOARD OF RAILWAY COMMISSION-ERS FOR CANADA.

Fifty-sixth Article. In our initial article we made the statement that it was our inten-In our initial article we made the statement that it was our inten-tion to try and ascertain whether this country was to be governed by the people or the railways. There is not the slightest doubt that in the end the people will govern, but there is just as little doubt that at the present time the people of Canada are absolutely at the mercy of the carrying companies, and this state of affairs is entirely due to the fact that the government has allowed the railways to gradually assume powers that they were never intended to exercise, until to-day they practically ignore the law and the law-makers—they have be-come a law unto themselves.

We have made the charge that the board of rallway com missioners is incompetent, and we have offered to prove that this is the case.

We have made the charge that the tariffs of the rall-ways are arranged upon an exorbitant basis, and we have also offered to prove the correctness of our statement in this

Neither the board of railway commissioners, the govern-ment, nor the railway companies have attempted to question the correctness of the charges entered against them, and we have to assume that they are unable to deny the truthfulness

In order to try and force a reply from some of the parties inter-ested, we propose to make a statement which should draw an an-swer of some kind from the board of railway commissioners, or the government. We recently drew the attention of the government and e people of Canada to the fact that the Grand Trunk Railway was nating against the Canadian route and declined to issue thru bills of lading for traffic routed that way, when destined to points in Europe reached by vessels plying from Portland, Maine. We have been told that this matter was informally brought before the board of railway commissioners, or some individual members of the board, and that after a thoro discussion of the subject, the admission was made that matters would have to drift along as they were, as it was beyond the power of the board to discipline the Grand Trunk Railway.

WE WOULD LIKE THE BOARD OF RAILWAY COM-MISSIONERS TO INFORM THE PUBLIC WHETHER OR NOT IT IS A FACT THAT THEY ARE UNABLE TO FORCE THE GRAND TRUNK RAILWAY TO CEASE DISCRIMI-NATING AGAINST THE ALL-CANADIAN ROUTE, IF CO. THE BOARD OF RAILWAY COMMISSIONERS SHOULD IMMEDIATELY HAND IN THEIR RESIGNATIONS TO THE GOVERNMENT.

The board of railway commissioners has the power to compel the Grand Trunk Railway to issue thru bills of lading by the St. John route, but thru political influences they are unable to exercise the power vested in them. The public desire to know who it is brings this influence to bear upon the board of railway commissioners. There can only be one opinion with regard to the desirability of protecting the Canadian route, and the public have a right to know why the railway company is permitted to discriminate in this way against St. John and Halifax.

It is a question that cannot be ignored either by the govern-ment or the board of railway commissioners, and if they decline to answer it the people of Canada will essume that the information which has come to us with regard to the Grand Trunk Railway Company dominating the government, is correct

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

AT OSGOODE HALL

ANNOUNCEMENTS.

Chambers,

Divisional Court.

capitalization shall stop. Tens of thousands of stockholders may suffer when the law is enforced, but their sufferings are those in-cident to the establishment of popular rights; while the greater sufferings of eighty millions of people are the sufferings of vic-tims of a great injustice which must be remedied." THE LADY AND THE TIGER.

For years now the Canadian Pacific

Cartwright, master, at 11 a.m. Judge's Chambers. The Hon. Mr. Justice Teetzel, at

Beare and Esther Beare for slander has been dismissed. The parties all re-side in Whitevale, near Locust Hill, Onlario County. The defendants filed a consent before Master-in-Chambers Farturient, expressing their sincere re-forts that anything they said should have been construed as reflecting upon the character of the plaintiff, as they have been construed as reflecting upon the character of the plaintiff, as they have been construed as reflecting upon the character of the plaintiff, as they have been construed as reflecting upon the character of the plaintiff, as they have been construed as reflecting upon the character of the plaintiff, as they have been construed as reflecting upon the character of the plaintiff, as they have been construed as reflecting upon the character of the shareholders of the flamilion, Grimsby & Beamsville ferendants, has issued a writ against 1. M. Gibson, John Dickenson, J. R. Moodie, William C. Hawkins, John W. Nesbitt, John Gordon Gauld and The hamilton, Grimsby & Beamsville Elec-tic Railway Company of Hamilton, for a declaration that no shares of the plaintiff, Barnes, Bibson, Dickenson, Moodie, Hawkins and Sutherland, from viting at any meeting of the shareholder have been allotter. In respect of the 250 shares of the plaint stock alleged to have been al-iotted in order on a declaration the year 1906; and for a declaration the proceedings at any and all meet-ings of defendants, from paying any in the year 1906; and for a declaration hat proceedings at any and all meet-hand plaid up by them sometime in the year 1906; and for a declaration hat proceedings at any and all meet-has of defendants, from paying any of defendants, from paying any of the allotment of shares, and from transferring any portion of the for shares; and restraining defendant calls on the allotment of snares, and from transferring any portion of the 1650 shares; and restraining defendant company from issuing to said defend-ants, or to any transferees from them any certificates in respect of the said shares.

## SAVE THE BEACHES.

Editor World: The announcement is made by some of the newspapers that the beaches have been saved by a plan put forward by Engineer Rust and his colleague, Engineer C. B. Smith. This we presume is the route that was announced with a great flourish a day or two after Mr. Smith's appointment as having been discovered by these gentlemen in one day's looking over the ground between here and Scarboro, altho the best engineers of the Grand Trunk, the Canadian Pacific and the Canadian Northern have taken months and years to lo-

cate what they consider the best lines for those roads. Let us consider what this wonderful discovery consists of and what features it presents that will make it acceptable to the property owners at the beach. the rallways interested and the minister of railways interested and the minister of railways at Ottawa. I. The people at the beach strongly object to any route coming into the city south of the Kingston-road. The objection was just as strong to the route chosen by the Canadian North-ern, north of Queen-street, as to the Grand Trunk south of that thorofare.

to interfere with the beach and pro-

FEBRUARY 5 1007

# Men's High-Grade Suits Less

EATON'S

Just a business circumstance that brings this unusual price chance-for the suits are RIGHT EVERY Way and well worth their former prices.

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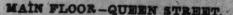
All-wool imported fancy worsteds-neat, dark shades ; best of lining and trimmings throughout ; latest single sack cut. Sizes 34 9.95 to44. Price., 9.95

## Raincoats Go Lower, Too

Get this decidedly worth-while saving Wednesday. The coats are long and loose-fitting; made of Oxford gray cravenette cloth ; Italian lining; velvet collar. Sizes 34 to 44. The price...... 5.00

## Good Trouser Buying

Dark striped solid worsteds faultlessly made up, with good trimmings. A Wednesday buying inducement of the very best kind. Sizes 31 to 42. 1.95 Price





Mocha, 45c lb.

is a matter of paramount importance is a matter of paramount importance that the city expropriate the Toronto Electric Light Company and give vast-ly cheaper light to consumers. Grant-ing the company power to increase its. Manitoba Railroad, for the repeat of state is now pending in the Minneso-ta courts, on the ground that the company has ceased to perform the capital and present its shareholders functions for which it was created. A evils attendant on the political adwith stock at par that has a market Wall-street journal seizes the oppor- ministration of the people's railway. value of 160, would embarrass the city tunity to instruct the president on the in its plans of municipal ownership. subject of his anti-railroad campaign The curse of watered stock would be and repeats the argument that it is express service in the place of the put like a millstone around the city's really a campaign against American people's express service on the Interinvestors, big and little. Now that colonial. It has been openly and seneck.

Let Premier Whitney stay his hand Mr. Roosevelt, as an investor, is per- cretly the worst enemy of the nationin the midst of this anxious appeal for sonally concerned in the effect of the al rallway. help from Sir Galahad. The public in- Minnesota application, Wall-street

terest is the prime concern and the thinks that he will read Mr. Roosepublic interest demands at this time velt, the president, a lecture with that that there be no haste in in- subject as the text. Taking the Wallcreasing the capital of the Toronto street journal's article in hand, The Electric Light Company, but that the New York Press, which is a strong city be given every possible assistance and able supporter of the rights of rights over the Intercolonial to the and encouragement in its effort to take the public, makes some valuable comover the company at a reasonable nent on the position of the holders valuation and administer it in con- of "watered" and other fictitious junction with cheap power from stocks and securities-the "innocent purchasers" who make such great And in view of Mr. Graham's declar- play in pro-corporation literature. It

ation that every assistance should be says: given municipalities to own and oper-"The habitual effort of Wallate their public services, the city instreet is to create the belief that when corporations are forced to live up to the law there will be general suffering and distress. Al-As to Sir Galahad's sneers at socialism and scoffs at cheap power, we have ways those who resist the proposal to limit the railroads to what the nothing to say except that they doubtless arose from his intimate associasupreme court says is a fair re-ward for their services will tell tion with those other knights of the us how many thousands of share-holders there are in those corpora-tions. The sufferings of the 'cor-poration widows and orphans' when justice is had by the people are shown in tearful platures. round table, Sir Henry Pellatt, Frederic Nicholls, Robert Jaffray and Senator Cox. From his point of view he may be right; but there is a large

are shown in tearful pictures. "Indeed, a large number of so-called 'innocent purchasers,' in-cluding President Roosevelt, are going to suffer when the laws of view, a view he may get if he climbs up into the heights, a view that the people have; and it has much to do with the principle of the greatest good the state and the nation are en-forced, as President Roosevelt and to the greatest number. It is the true the state officers mean to enforce sangreal, and Sir Galahad may yet dis-"WATERED" STOCK AND ITS

the state officers mean to enforce them. But if thru their neglect to make their influence felt in railroad boards of directors, the shareholders have permitted the corporations in which they have voice, to break the law, they de-serve to suffer in pocket. Per-haps the holders of bonds, when they are not legally responsible for haps the holders of bonds, when they are not legally responsible for the acts of the corporations, do not deserve to suffer. If so, they have their remedy in proceedings in equity or in appeals for relief to legislatures and congress. "Purchasers of watered stocks, and stocks issued in violation of the charters of the corporations, as was done in the case of the Great Northern, are either impru-dent purchasers or they are defib-erately combined.

dent purchasers or they are delibeately gambling on the possibil-ity that the courts will not destroy the counterfeit values into which they have put their money. In either case, they have no ground for complaint when government steps in to protect the people against the extortion which is practised in order to declare divipractised in order to declare divi-dends on these unlawful stocks. And the sufferings of the 'corpor-ation widows and orphans' who may find that they have bought green goods from Wall-street deal-ers, are as nothing to the gener-al suffering caused by taxing every man, woman and child, in-cluding the stockholders them-selves, as well as all who do not selves, as well as all who do not hold stock, in order to keep up the fictitious value of the counterfelt shares. "Justice demands that these ex-

tortionate charges upon the peo-ple to pay dividends on over-

6.-Bell v. Owen. Court of Appeal Peremptory 1st for 11 a.m.: 17.-Wilson v. Lockhart (continued). 26.-Owen v. Mercier. 13.-Toole v. Newton. 28.-Hamilton v. H., G. & B. Elec Railway Co. 18.—Cavanagh v. Glendenning. Toronto Jury Sittings. Peremptory list for 10 a.m.; McDonald v. Harlton.

Now it is given out that there is Dickson v. Miller. Hawkes v. The Globe. Gallagher v. Toronto. Toronto Non-Jury Sittings. to be a conference at Ottawa to-morrow between the C.P.R. and Hon. Mr. Emmerson, the minister of railways, Peremptory list for 10.30 a.m.: Kingswell v. McKnight (continued) to give certain additional running O'Connor v. Sands. Toronto v. Hough. Brown v. Joselin.

Susan Ellis, a widow of Toronto, is suing John W. Granam for damages for breach of promise to marry. Holds Two Notes. At a meeting of the board of directors of the Confederation Life Association, held yesterday, Mr. John Macdonald of the firm of John Macdonald & Co., wholesale dry goods merchants, To-ronto, was elected to fill the vacancy.

Durham Old Boys. The Durham Old Boys will be ad-

SWEET

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OF THE

WORLD

dressed in the biological building the university on Feb. 12 by Prof. Col f Charles J. Kammer is suing C. A. Hull, contractor, of Toronto, for \$301.38, the amount of a lumber bill supplied y by Kammer to Hull. George Cairns han on the geological formation of Ontario. The lecture will be illustrated by Prof. Squair's collection of pictures of Durham County. The association's an-nual banquet will be held March 5.

by Kammer to Hull. George Cairns and nine other carpenters are also su-ing Hull for wages aggregating \$257.82, earned as carpenters on the construc-tion of the large new store of F. C. Burroughes & Co. on West Queen-street. Alexander MacGregor acts as solicitor for the plaintiffs in both ac-tions tions.

Second Action Stayed, The Cobalt Nipigon Syndicate has an action pending against A. McKim & action pending against A. McKim & Co., and the company have a cross ac-tion against the syndicate on an ad-vertising contract. The Cobalt syndi-cate moved before Master-in-Cham-bers Cartwright to have the actions consolidated. Judgment has been given, staying the second action and direct-ing the whole issues to be tried in the first action.

Company Has to Pay. Charles Stovey of Port Arthur was acting as watchman on the steamship Wahcondah in May last, when he fell into the hold of the vessel and sustain-ed very serious injuries. He sued the New Ontario Steamship Company, and at the trial was allowed \$400 damages. The company's appeal to the divisional court has been dismissed with costs. In Court of Appeal. Albert J. Wilson, a money lender of Company Has to Pay.

Albert J. Wilson, a money lender of Woodstock, had an action against Thomas Lockhart and Eber B. True on a promissory note for \$1000. He also had nine other similar actions against different defendants. At the trial Wilson's actions were dismissed, and he is now appealing to the court of appeal. The argument is not concluded. Settled. Sophia Ellison's action against Thos.

In fact more so on a In fact more so on account of the greater number of streets crossed by the Canadian Northern, and yet these wonderful engineers adopt the first chosen Canadian Northern route, ap-parently because it runs into the township east of Woodbine-avenue instead of multiple the the the instead of running thru the city as far as the Leuty-avenue Amusement Park, notwithstanding the fact that this route was abandoned by the Canadian Northern because they found one with better grades and one which did not injure the beaches, so you may be sure the city's plan will not find flavor

sure the city's plan will not find flavor either with the beach people or the Canadian Northern Railway. 2. What then is there to commend it above the Grand Trunk route, which provides practically a level track from Port Union to the city running some-where in the neighborhood of twenty feet above the water level, thus do-ing away with the high grades? The city plan just beyond Victoria Park is nearly a hundred feet above the water level, and judging by the description

the cliffs. 3. It will puzzle anyone to find what features the city plan contains to

vide subways, not only at Munro and Victoria Parks, but at every street west of there to permit free access to the water. The route taken thru to the water. The route taken thru Baimy Beach, running as it does back if nearly all the houses facing on the ake front, would do the minimum damage to property. As they are all or nearly all summer residents, the subways need only to be for foot pas-sengers. Then running as it does thru Leuty-avenue park, it would probably be a benefit to that place of avuse-ment instead of a detriment, unless it is so closely allied to the Toronto Street Railway that it might object sharing any portion of its receints with the

Railway that it might object sharing any portion of its receipts with the Grand Trunk. So the only portion of the city affected would be from Leuty-avenue to Woodbine-avenue, and this portion, as published by some of the newspapers several weeks ago, shows very few houses on the route taken, altho it crosses about a dozen lots owned by Mayor Coatsworth, to save which from the railways may be one of the objects the city engineers had in mind and for which the mayor would not thank them. The route chosen by the angineers

rights over the Intercolonial to the Canadian Pacific so as to make the private-owned road a competitor of the national road on its own lines. And strange to say quite a number of Maritime members of parliament seem to be friendly to this proposal. It is the last thing that should be done. It will be the case-over again of the young lady and the tiger. CONFEDERATION LIFE ASS'N. New Director Appointed. At a meeting of the board of directors New Director Appointed.

Hon. A. J. Matheson, provincial trea-Inis work, yet Mr. Rust placed the interests of the city in the hands of a man who is reported to have only had about six months' experience some years ago in ratilway work somewhere up Sudbury way. had about six months' experience some years ago in railway work somewhere up Sudbury way. Now the city proposes to deal with Now the city proposes to deal with

Michie & Co., Limited **Provincial Securities Co'y** Traders Bank Building Toronto, Ont. ocks. Bonds and Underwriters, bentures Land Investments ught and sold. Companies Organize Phone-Main 6090. ad e viaduct question and un the viaduct question and unless some-body has courage enough to protest, probably Mr. Smith will be engaged for this job also, altho he had had no experience whatever because there has been no opportunity to gain ex-perience in this line in Canada. From perience in this line in Canada. From the very nature of the project, you must go to some large city like Chi-cago or even Buffalo to find a man who is capable of handling such a big question from practical experience. That is one trouble with Toronto. That is one trouble with Toronto, that they are trying to run it on local lines, forgetting that it is becoming a metropolitan city, and we must plan longer than a year or two ahead un-less we are prepared to pay two or three times what it would cost to-day to solve the various questions that now face us if the solution is left a few years longer. Citizen.

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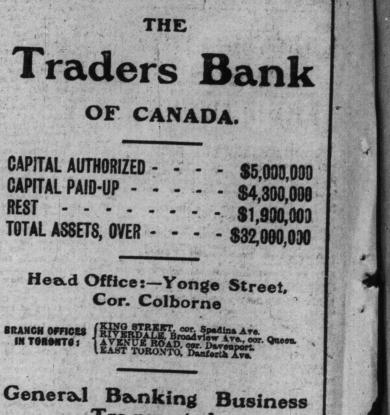
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WANTS \$50,000 IN BONDS

CAN'T BE ACCOMMODATED



ronto for specific performance of an agreement for the sais of certain property in the Township of Darlington. Lumber and Wages,

