VICTORY IS NOW ASSURED

Continued From Page One.

Peterboro—G. G. Greenwood, Liberal, 3,308; Sir Arthur Purvis, Unionist, 2,875; Liberal majority, 433; no change.

Newcastle-on-Tyne—J. C. Wedgewood, Liberal, 5,653; Capt. E. S. Grogan, Unionist, 4,245; Liberal majority, 1,408; no change.

Paddington, south—H. B. Harris, Unionist, 3,667; F. T. H. Hole, Liberal, 1,419; Unionist majority, 2,258; no change.

Croydon—Sir R. Hennen Hodge, Unist, 12,223; A. L. Leon, Liberal, 11,327; Unionist majority, 896; a gain.

Paddington, north—A. Strauss, Unionist, 4,892; L. G. Chazza Money, Liberal, 3,999; Unionist majority, 893; a gain.

Sheffield (Eccles Hall)—S. Roberts, Unionist, 6,497; C. Derry, Liberal, 6,196; Unionist, majority, 211; a gain.

Sheffield (Brightside)—J. T. Walters, Liberal, 6,156; D. Vickers, Unionist, 2,420; Liberal majority, 2,736; no change.

Bedford—W. A. Attonboro, Unionist, 2,919; P. Barlow, Liberal, 2,750; Unionist majority, 169; a gain.

Worcester city—E. A. Golding, Unionist, 4,561; J. Morgan, Liberal, 4,405; Unionist majority, 156; no change.

Bristol, west—Lieut. Col. G. A. Gibbs Unionist, 5,159; Dr. W. Saise, Liberal, 3,881; Unionist majority, 1,278; no change.

Leeds, north—R. H. Barron, Liberal, 10,775; L. D. Birchall, Unionist, 9,164; Liberal majority, 1,611; no change.

Tynemouth (North Shields)—H. J. Craig, Liberal, 4,487; E. J. S. Churchill, Unionist, 3,993; Liberal majority, 494; no change.

Aberdeen, north—D. V. Pirrie, Liberal, 4,297; R. Scott-Brown, Unionist, 2,314; Kennedy, Socialist, 1,344; Liberal plurality, 1,983; no change.

Strand—Rt. Hon. W. H. Long Unionist, 4,840; L. W. J. Costello, Liberal, 1,627; Unionist majority, 3,213; no change.

Kensington, north—A. Bourgoine, Unionist, 4,621; Sir H. Robson, Liberal, 4,079; Unionist majority, 532; a gain.

Shoreditch (Hoxton)—Dr. C. Addison, Liberal, 3,736; Hon. Claude Hay, Unionist, 3,398; Liberal majority, 338; a gain.

Sheffield (Hallam)—Rt. Hon. C. B. S. Wortley, Unionist, 6,181; A. Neal, Liberal, 5,965; Unionist majority, 216; no change.

Leeds, west—T. E. Hanney, Liberal, 9,969; S. Sampel, Unionist, 6,654; Liberal majority, 3,315; no change.

Bromwich, west—Lord Lewisham, Unionist, 5,672; Dr. A. E. Hazel, Liberal, 4,937; Unionist majority, 735; a gain.

Bradford, east—Sir W. E. B. Priestley, Liberal, 7,709; J. H. B. Brown, Unionist, 5,014; E. R. Hartley, Socialist, 1,740; Liberal, plurality, 2,695; no change.

Exeter—H. E. Duke, Unionist, 4,902; H. St. Muir, Liberal, 4,876; Unionist majority, 26; a gain.

Hull West—Hon. Guy Wilson, Liberal, 10,005; Sir J. Sherburn, Unionist, 8,288; Liberal majority, 1,717; no change.

Hull East—T. R. Farens, Liberal, 7,627; R. M. S. Montefiore, Unionist, 5,691; Liberal majority 1,936; no change.

Sheffield—(Attercliffe) J. Poynter, Liberal, 7,755; S. King Farlow, Unionist 6,079; Labor majority 1,676; no change.

Huddersfield—A. J. Sherwell, Liberal, 7,158; H. Snell, Labor 5,685; H. Smith, Unionist 5,153; Liberal plurality 1,473.

St. Pancras South—Capt. H. Jessell, Unionist, 2,750; P. W. Wilson, Liberal 1,925; Unionist majority 835; a gain.

Hull Central—Sir H. S. King, Unionist 3,606; Dr. R. W. Aske, Liberal, 3,586; Unionist majority 20; no change.

Bristol North—Rt. Hon. Augustine Birrell, Liberal, 6,805; M. H. Woods, Unionist 5,459; Liberal majority 1,346; no change.

Battersea—Right Hon. John Burns, Liberal 8,540; H. Shirley Benn, 7,895; Liberal majority, 645; no change.

Bradford Central—Sir J. Robertson, Liberal 5,249; Lord Howick, Unionist, 3,068; Liberal majority 2,281; no change.

Walsall—R. A. Cooper, Unionist, 7,290; Major E. Dunne, Liberal 6,745; Unionist majority 545; a gain.

Gateshead—H. Elverston, Liberal, 6,802; N. G. Doyle, Unionist, 6,326; J. Johnston, Labor, 3,572; Liberal plurality 474; no change.

Chester—R. A. Yerburgh, Unionist, 3,978; E. Paul, Liberal 3,776; Unionist majority, 202; no change.

Camberwell North—Dr. J. T. McNamara, Liberal 5,593; S. H. Goldsmith, Unionist, 3,411; Liberal majority 2,182; no change.

Shoreditch (Haggerstonhy) H. G. Chancellor, Liberal 3,041; Hon. R. Gunness, Unionist 2,585; Liberal majority 456; a gain.

City of London—Rt. Hon. A. G. Balfour, Unionist, 1,797; Hanbury, Unionist, 17,302; Sir Hugh Bell, Liberal, 4,632; Unionist elected; no change.

Stockport (2)—J. J. Wardle, Liberal 6,082; Spencer L. Hughes, Liberal, 6,645; G. E. Rain, Unionist, 5,268; J. S. Ranken, Unionist, 5,249; no change.

Cheltenham—Lord Duncanon, Unionist, 3,988; R. Mathies, Liberal, 3,852; Unionist majority 136; a gain.

St. Pancras East—J. Martin, Liberal, 4,276; W. R. Preston, Unionist, 3,586; Liberal majority 690; no change.

Bradford West—F. W. Jowett, Labor, 8,880; Sir E. Glover, Unionist, 4461; Labor majority 4,419; no change.

Dulwich—A Bonar Law, Unionist, 3,473; H. A. E. Callon, Liberal 3,586; Unionist majority, 2,418; no change.

Marylebone East—Boyton, Unionist, 3,134; Dr. R. O. Moon, Liberal, 1,905; R. Jebb, Unionist of 702; Unionist plurality 1,229; no change.

Marylebone West—Sir S. E. Scott, Unionist 4,457; Capt. Hon. H. B. Forbes, Liberal 2,574; Unionist majority 1,983; no change.

Hammersmith—Sir W. J. Bull, Unionist, 6,688; J. Blaikcock, Liberal, 5,542; Unionist majority 1,126; no change.

Clapham—G. B. Faber, Unionist, 10,743; J. G. Kipling, Liberal, 8,762; Unionist majority 1,861; no change.

Woolwich—Major W. A. Adams, Unionist, 8,735; W. Crooks, Labor, 8,420; Unionist majority 315; a gain.

At Greenville, Ill., Sunday, leaving a note declaring his love for a young woman, Rev. Harry Koence swallowed poison and died in the arms of the woman's father.

PUBLIC MEETING ON ST. JOHN VALLEY R'WAY AT GAGETOWN TONIGHT

Non-Political Gathering to Discuss all Phases of Project—Prominent Men in District Among Speakers.

A public meeting in the interests of the St. John Valley Railway will be held in the Court House at Gagetown at 7.30 o'clock this evening. The meeting will be entirely non political in character and the list of speakers shows that both shades of political opinion will be represented.

Mr. Morris Scovil of Gagetown will preside and the speakers will include Mr. S. L. Peters, Mr. John R. Dunn, Mr. T. S. Peters, Gagetown; Mr. I. W. Carpenter, Wickham; Coun. Nickerson, Coun. Bayard Slipp, Hampstead; Coun. Abiatha Camp, C. D. Dykeman, Cambridge and others.

The representatives of Queens and Sunbury counties in the federal and provincial parliaments have also been invited to be present. It is hoped to secure a free discussion on all phases of the scheme.

NEW YORK IS AGAIN ON MAP

Assignment of dates for a grand circuit trotting meeting in New York at the annual conference of the stewards at Detroit, last week, came as welcome news to metropolitan horsemen, who have not seen the light harness horses here since 1904, the date of the last grand circuit meeting at the Empire track. As told in the Herald a few weeks ago, A. H. Cosden, formerly president of the Road Drivers' Association is the prime mover in the commendable project. His aim is simply to give the votaries of highclass racing hereabouts a week of highclass sport, and if the meeting pays expenses he and his associates will be more than satisfied. With pool selling prohibited, there is no longer any chance to make a profit on a meeting of grand circuit class in New York book betting as practised on the running track being impracticable for the trotters.

A. J. Welch, owner of the Readville track, near Boston, represented New York at the conference of the stewards last week and may manage the proposed meeting here. It is not yet certain that Brighton Beach will be the scene of the sport. A prohibitive price has been demanded for the use of the course, it is said, and unless much more favorable terms can be arranged, the horses may go to the Empire track, provided it is available for the week of August 22 to 27. Neither track was fit for highclass harness racing last year, the Brighton course having been partly covered with a "blinder" of cement on the turns to admit of automobile racing, while the once fast course at Yonkers was badly in need of new surface soil.

Thomas G. Hinds, of the New York Driving Club, has made the suggestion that an inter-city meeting for amateur harness racing be arranged to follow the professional sport, with perhaps four days for the grand circuit horses and two days for the amateurs. Held under the auspices of the League of Amateur Driving Clubs such an amateur meeting should bring together the best horses of New York, Boston, Pittsburg, Syracuse and Cleveland and result in some exceptional sport.

The New York Driving Club will probably make its headquarters this year at one of the half mile tracks in the vicinity of the city, presumbly White Plains, where many of its former members raced their horses last season.

Market Long.

The market for light harness horses is long on buyers and short on high class trotters, according to all indications. Consignments to the great November sale of the Fasig-Tipton Company, in Madison Square Garden, were the smallest in years this season, while prices averaged higher than in any other year since 1906. Signs point to the same state of affairs for the company's mid-winter sale, to be held at the Garden, beginning on January 31. The country is full of horsemen in search of something good enough to campaign next season, and unless more entries for the sale are quickly forthcoming most of the intending buyers will have to go home empty handed.

There is every indication that the forty-five colts and fillies consigned to the sale of L. V. Harkness will excite the keenest bidding that has ever been seen for futurity prospects, his consignment last winter having furnished a capital prize in Native Belle, 2.07 3-4, while The Harvester, 2.06 3-4, and two or three other colts that could trot in 2.10 as three-year-olds were in the lot sold in 1908. With the youngsters by Moko and Walnut Hall to attract the buyers to the mid-winter sale, it will be a good place for everybody to dispose of good horses.

First in the field for the harness racing season of 1910, the Rockland County Fair Association, of which S. M. Klotz is secretary, has announced four handicaps of $1,000 each to be trotted and paced at the meeting to be held in connection with the annual fair at Orangeburg, N. Y., September 5 to 10. Each purse is to be divided into seven parts, or seven moneys. Horses can be nominated at any time after February 5 and until August 15, but those entered on the earlier date will pay only $10 to start, while August entries must contribute $50. The entrance fee in April will be $20, in May $30 and in July $40.

DEATHS

McAvity—Entered into rest in this city on Sunday, 16th inst., James Hendricks McAvity, aged seventy-one years.
Bangor papers please copy.
Funeral on Tuesday, 18th inst., from Trinity Church at 2.30 p. m. No flowers by request.

COMMITTEE CAN FIND NO JUSTIFICATION FOR RECENT INCREASE IN TELEPHONE RATES

Report Submitted to Council of Board of Trade Yesterday Finds St. John Property of N. B. Telephone Company Much Overvalued—Capital Increased Beyond What was Required—Legislation Suggested to Provide for Expropriation or Installation of Independent Systems—Judge of Supreme Court to Act as Arbitrator in Deciding Questions at issue

At a meeting of the Council of the Board of Trade yesterday afternoon the report prepared by a special committee to consider the increase in telephone rates was submitted. The committee which consisted of Messrs. J. N. Harvey, H. A. Powell, J. G. Harrison and W. E. Foster, after giving an exhaustive review of the organization and development of the N.B. Telephone Company, reported to the effect that the recent increase in the rates did not appear to be justified. They consider the telephone property in St. John over valued and express the opinion that there would be a better chance of maintaining the dividend if the stock were reduced to more nearly represent the actual value of the property.

The committee suggests provision should be made by the legislature for expropriating or for installing independant systems, but as it is recognized that neither of these might prove possible they go still further and suggest that legislative authority be given for one of the judges of the Supreme Court to act somewhat in the same capacity as the Railway Commission do over the railways of Canada, fixing rates and deciding questions at issue between the public and the telephone companies. A judge is suggested instead of a permanent paid commission, as it is recognized the expense of such a commission would be too great.

The Report.

The report which was received and briefly discussed by the council is as follows:

Your committee appointed to consider the increase in telephone rentals in the city of Saint John beg to submit the following report:—

Immediately on our appointment we proceeded to take up with the officers of the company the matter entrusted to us, and found them willing to discuss the question in a friendly spirit, and to furnish us with all the information they had in their possession.

In justification of the present increase in the telephone rentals the company contends that the present net income from its telephone system in the province does not afford a reasonable return upon the capital stock which has been issued. The company also contends that its rentals are lower than those charged by other companies.

Back of the question of the amount of capital stock upon which the company claims the right to have a reasonable return are two questions:—

1. What is the amount of capital stock, if any, of the company which has been improperly issued?

2. What is the amount, if any, by which the par value of the capital stock and bonds of the company exceed what would be the cost of replacement of its plant, or of the installation of an equally efficient plant?

A comparison of the rates imposed by outside companies could only be of assistance in determining the fairness or unfairness of the New Brunswick company's rates in the light of the answers which would be given to these two questions when applied to such companies.

An Expert's Statement.

Mr. Dagger, the Dominion government expert, in his report to the government, makes a statement concerning the charges, and the capital stock of telephone companies in the Dominion, which meets the contention that the tariffs of other companies are standards by which that of the Saint John exchange should be judged. This statement is as follows:—

"Another reason for the excessive charges is the fact that the development of the telephone has passed through several stages since the date of the original patents, and at each stage the apparatus in use becomes obsolete, rendering it necessary in the larger exchanges for the company to partially reconstruct their system and install improved plant. There being no adequate depreciation fund in existence to cover the cost of this reconstruction, the expenditure upon this work has been charged to capital account, thereby increasing the amount upon which the dividends had to be earned, with the result that today the plant of the local systems could be duplicated for about one-third of the total capitalization and bond issues."

Rentals Less Elsewhere.

The contention of the company is true only when the comparison is made with the rates of monopolies in Canada and the United States. We have a statement of the rentals charged in over 130 towns and cities in the United States in which competitive sysetms have been installed to protect the citizens from the monopoly of the Bell Telephone Company. The telephones in these competitive exchanges vary in number; the largest exchange having upwards of 9,000. The rentals in every instance are a great deal less than the rentals charged in St. John before the present increase. We have also a statement showing the telephone rentals charged in various countries in Europe. In some cases the charges are on a basis which prevents a comparison being instituted. Where comparison can be instituted, however, the statement shows that the prevailing rates are a great deal lower than the rentals then existing in St. John.

The contention of the company when applied to long distance tolls is equally misleading. These tolls in New Brunswick may be less than the ruling prices in other provinces of Canada and in the United States, but these tolls in Canada and the United States are larger than in any other country in the world. Mr. Dagger in his report, speaking of the long distance tolls in Canada says they are double the rates in England and four times as much as the rates in Germany, and that he is "satisfied that the present rates in Canada could be cut in two and still leave a satisfactory profit on the working."

Coming from an independent and presumably competent official this statement must be assumed to be correct.

The statistics we have used to which we are referring were laid before a select parliamentary committee at Ottawa in 1905. The expense and delay which would be involved in procuring later statistics prevented us from doing so.

Over Capitalization.

The total amount of capital stock which has been issued by the company is $1,175,960.00. To determine the exact amount of over-capitalization of the company and the fair cost of installation of an equally efficient plant would be a task which neither the time nor the data at our disposal would admit of our undertaking. While unable to arrive at exact figures, however, we are satisfied that a great deal more capital stock has been issued by the company than should have been, and that the company is paying interest on bonds and dividends upon a capital stock the par value of which is greatly in excess of the amount for which its plant could be replaced by an equally efficient one. The excessive issue of stock is, we are convincd, due in the first place to the action of the New Brunswick Telephone Company previous to its absorption of the Central Telephone Company, and, in the second place, to the fact that the business of the latter company was taken over by the former company at too high a figure.

Stock Issued.

Up to the time of its absorption of the Central Telephone Company in 1907 the New Brunswick Telephone Company had, according to the statement given us, issued stock as follows:

To the Bell Telephone Company,—May, 1889.

Re St. John Echange .....$	47,700
Fredericton Exchange "	10,800
Moncton Exchange	10,800
Woodstock Exchange ..	2,700
Private Lines	3,000
Supplies	4,000
Trunk Line St. John Rothesay, — Moncton —Dorchester	3,400
	$82,400
Stock issued to the Telephone phone Co. at Newcastle for its exchange	5,000
Stock sold for cash	206,832
Stock issued as stock dividends	172,568
	$466,800

The present officers of the company stated they knew nothing regarding the stock issued to the Bell Telephone Company except what appears in the books of the company.

Senator Thompson's Evidence.

This statement given us by the officers of the company is at variance with the statement of Senator Thompson, managing director of the New Brunswick Telephone Company given under oath in 1905 before a select parliamentary committee at Ottawa appointed to inquire into telephone systems in Canada (see p. 510 of the printed evidence.)

The following is the evidence given by him on this point:

Q.—What were your terms of purchase from the Bell Telephone Company? The agrement I suppose is in writing?

Ans.—No, it is just a transfer of their interests. We paid $50,000.

Q.—And what did you get for the $50,000, the Exchange?

Ans.—We got the entire control of New Brunswick so far as their occupation of New Brunswick is concerned.

Q.—And all their plant?

Ans.—And all their plant.

Q.—Instruments?

Ans.—Instruments and everything.

Q.—Did they take up stock for their purchase money?

Ans.—They took $25,000 cash and stock $25,000.

Q.—I see the the purchase price was $50,000 and $25,000 was in cash and $25,000 in paid up stock.

Ans.—Yes; that is right. We could not have raised all the money or we would have bought them out.

Statements Differ.

The statement given us by the company varies from Senator Thompson's evidence in another particular. Senator Thompson on page 512 states "at the end of 1904 the stock amounted to $204;050 or 4,081 $50 shares, of which the Bell people hold $69,100 or 1,382 shares, and the difference between $25,000 of paid up stock issued to the Bell Company (issued for its system in New Brunswick) and their holding of $69,100 had been paid for in cash by the Bell Telephone Company." According to the statement furnished us by the company the stock issued to the end of 1904 was $230,950 or $26,950 more than the amount given by Senator Thompson in his evidence as issued to that time. If the senator's statement is true, and from his position as managing director we must assume that it is, $57,400 of the paid up capital stock of the company, which professed to be issued to the Bell Telephone Company for plant was not so issued. There is a mystery connected with this transaction with the Bell Telephone Company which we have not been able to fathom. The $172,568 paid up capital stock mentioned above was issued as stock dividends and professed to be for earnings of the company which were not paid over to the shareholders in cash. If from the total amount of capital stock issued to the time of the merger $466,800 there are deducted $57,400 paid up capital stock issued as above and unaccounted for, and the $172,568 issued as stock dividends the balance $236,832 represents the amount of capital stock of the company, which up to the time of the merger had been issued for cash or valuable consideration other than earnings.

The Central Company.

The issue of capital stock by the Central Telephone Company did not receive from us the attention we bestowed upon the issue of the capital stock of the New Brunswick Telephone Company prior to the merger.

The taking over of the Central's system by the New Brunswick Telephone Company was under the terms of an agreement which closed a struggle between these companies in which each had endeavored to outwit and outbluff the other. By this arrangement a large amount of over-capitalization was added to the existing over-capitalization of the New Brunswick Telephone Company. The result was that its cash dividends which for the eighteen years previously had been declared annually at 8 per cent immediately ceased, and have never since exceeded 6 per cent, while its stock dividends which had totalled $172,568.00 have ceased entirely.

The St. John exchange formed a part of this very profitable system which the New Brunswick Telephone Company had at the time of the merger.

The Company's Attitude.

The company in attempting to justify the late increased rentals emphasized the fact that a telephone plant must eventually wear out entirely and the expenditures for renewals are larger as the limit of its life is neared. The period from 1889 to 1907 during which these dividends in cash and stock were declared is sufficiently long, however, to cover the life of an ordinary telephone plant, and would include the period of light, average, and heavy expenditure for maintenance and renewal. In view of these cash and stock dividends having been declared right up to the time of the merger $89,920.00 had been issued as a stock dividend in 1906 at the time the merger had been agreed upon), and of the rentals for a long portion of the term being considerably cheaper, it is surprising to find the company contending that its system in the city of St. John which was the largest and most profitable portion of its undertaking up to the time of the merger, has in the two years which have elapsed since become so unprofitable as to necessitate the imposition of an additional burden upon its patrons in the city of over $14,000 per annum in the shaps of withdrawal of discounts for prompt payment and of increased rentals.

The business of the Saint John exchange since the merger, however, so far from showing a great change for the worse financially, actually shows, after making all proper allowances for interest on the additional capital expenditures which have been made and for depreciation upon the additional plant installed, largely increased and largely increasing profits.

"Water."

The company's position is a peculiar one. If these cash and stock dividends were propertly declared the contention that the business in the city exchange is not a profitable one is unworthy of serious consideration." If the profits of the business did not warrant these dividends then the company's patrons in the city are contributing to dividends on a large amount of paid-up capital stock of the company which was issued improperly and represents "water."

While we have in deference to the company's contention looked into the matter of its capital stock the question whether the present increase in rentals is justifiable, is not to be decided by an analysis of either the capital stock account or the capital expenditure account of the company. No matter how honest the management of companies may be these accounts generally are very unreliable. It is a very common thing for instance to find the books of companies showing large surpluses of assets over liabilities when they are hopelessly insolvent. What we desired to discover was:—

1. The value of the plant of the exchange, taking into consideration its depreciation, through age and use, the present first cost of similar plant, and the expense of installation.

2. The net earnings of the exchange after making all proper deductions from its gross revenue including allowances for depreciation.

Valuation of Plant.

The officers of the company were unable to give us this valuation of the plant, and no investigation we are capable of making would determine it with any degree of exactness, it can only be determined by having an expert go over the system and appraise it. We feel satisfied, however, from the information we have been able to gather that a valuation so made would probably fall below $300,000.

We were able to arrive approximately at the net earnings of the exchange. The statistics given us by the company on this point covered the whole year of 1907-8 and eleven months of the year 1908-9. The company's officers stated that by increasing the figures for the eleven months of 1906-9, by 1-11 we would have substantially the figures for that year.

We have arrived at the conclusion that after making all allowances for the exchange's operating expenses, maintenance and renewals, and its share of the general expenses of the company, and of the interest on the bonded and floating indebtedness of the company, there will, without taking into consideration the increased revenue which will result from the present increase in rentals be a net profit on the present year's business of the exchange of upwards of $36,000 or over 12 per cent. on an amount which we are satisfied does not exceed the present value of the exchange.

The company has lately withdrawn its discount of 5 per cent. allowed customers for prompt payment. As the gross revenue of the exchange last year amounted to about $78,000 this withdrawal will doubtless add upwards of $2,500 to its revenue during the present year. The management estimates that the present increase of rentals will give an additional income of $11,536,55. If the present year adds the same number of telephones as last year, the net profits from the St. John exchange will reach the large amount of over $50,000.

The tolls collected in the city of St. John with the exception of tolls for services within the city do not enter into the question referred to us, still, we think that the fact should be mentioned that last year the company received from these tolls a very considerable amount.

A Summing Up.

To sum up the results at which we have arrived:

1—Up to the time the New Brunswick Telephone Company took over the business of the Central, the business of the former was very profitable and the business of the latter company had, we believed, been carried on at a loss.

2—The issue of a considerable quantity of the stock of the New Brunswick Telephone Company issued up to that time was unjustifiable, and the business of the Central Company was taken over at an excess valuation.

3—The business of the St. John exchange was before the merger, and still is, a lucrative business, and the rentals before the present increase were sufficiently high to afford, and they afforded after deducting all costs of operation and maintenance and allowances for depreciation, a good return on its fair valuation.

4—In increasing the rentals and tolls the company is seeking to relieve itself from the effects of over-capitalization and losses resulting from unprofitable business in some portions of its system.

Legislation.

The Legislature of New Brunswick by chapter 37 of the statutes of 1907, intended to provide for both in the case of telephone systems. The provision for expropriation and public ownership is contained in section 1, which is as follows:

"Whenever and as soon as the Lieutenant Governor-in-Council may decide, by order-in-council, that it is expedient and in the interests of the people of the province, to expropriate, take and have the telephone property, rights, powers and franchises of any telephone company or companies in the province it shall be lawful for the Lieutenant Governor-in-Council to expropriate, take, have and go into possession of any such telephone property and franchise."

This section does not authorize expropriation by municipalities. It authorizes expropriation by the province only. In view of the fact that all franchises have under this act to be paid for, we think expropriation under it would be another instance of "a cure worse than the disease."

The installation by the city of St. John of a separate system is one solution of the problem. Municipal control of telephone systems like municipal control of everything else, will ever be open to criticism, and the large telephone companies have industriously endeavored to point out and magnify its weaknesses. While municipal government in Great Britain may be conceded to be superior to municipal government in Canada, still, the results of municipal control in the Old Land may be studied by us with profit.

If it is found necessary to adopt municipal ownership in St. John, we have no hesitation in saying that from all the information we can gather, a system could be installed which would give an equally efficient service at reduced rates and still yield a profit to the city.

Public Control.

Public control of tariffs is given by section 8 of the act, which is as follows:

"It shall be lawful for the Lieutenant Governor-in-Council to readjust, alter or vary any such tariff, or any portions thereof, provided, however, that no such readjustment, alteration or variation, in such tariff shall be made reducing the gross revenue of the company, or generally lowering its tolls, unless and until it has been established to the satisfaction of the Lieutenant Governor-in-Council that over and above all amounts necessary for the payment of interest on any bonded indebtedness and the expenses of carrying on the business of the company, and the expenses of maintenance of its system, including a

Continued on page 3.

MOUNTAINDALE.

Mountain Dale, Jan. 16.—The weather continues quite cold in this vicinity.

Miss Daisy Gannong returned to St. John, after spending her vacation at her home here.

Rev. Mr. andMrs. Joshua Gannong of Sussex paid a visit to relatives here last Monday.

Gregg returned to P. N. S. after christmas.

The friends of Miss Sadie Brown are glad to hear that she is improving from her illness.

INSURANCE LOSSES IN BRUSSELS ST. FIRE PARTLY APPRAISED

Andrew Myles' Loss Fixed at $900 — Philip Graham Awarded $875—Others Not Settled Yesterday.

Insurance losses on the houses in Brussels street owned by Mr. Philip Graham and Mr. Andrew Myles, and damaged by fire on Saturday evening were appraised yesterday afternoon by Mr. E. H. Fairweather and Mr. E. Bates. Mr. Graham's loss was fixed at $875 and Mr. Myles' at $900.

Mr. Myles' insurance, amounting to $800, is held in the Nova Scotia Fire Insurance Company. Mr. Graham, as previously stated, is insured with Wm. Thomson & Co., the companies being divided as follows:—Anglo-American, $300; Acadia $300; Atlas $400. Mr. McKean's insurance, amounting to $200, is in the Acadia.

The losses of Mr. Ryan and his tenants, Messrs. Megarity and O'Keefe, were not appraised yesterday.

ONE DEAD, THREE MISSING IN PHILADELPHIA FIRE

Philadelphia, Pa., Jan. 17.—One woman is dead, two others are missing and three are seriously injured, one perhaps fatally, as the result of a fire today which destroyed the Hollingsworth apartments at 4313-15 Walnut street, the fashionable section of West Philadelphia. The dead is Mrs. Frances Evans, of Baltimore, who died from the shock of being dragged from the burning building. The bodies of Mrs. David C. Eaton and Mrs. S. L. Carpenter, the missing women, are believed to be buried in the ruins.

Thomas Mulligan, a fireman was also critically injured by falling from the roof of an adjoining building.

FUTURE OF THE UPPER CHAMBER

Continued From Page One.

ate pleasing him better now than when he was in Opposition.

Mr. Haggart opposed abolition but advocated reform of the Senate.

Dr. Sproule also opposed abolition but held that the Senate could be improved and complained of the class of men whom the Government has appointed to that body

Had Ontario had a properly constituted Senate, the Ross Government would not have ventured to perpetrated some of its many iniquities.

Voted Down.

The vote was then taken and the resolution was voted down by 111 to 22. The abolitionists were:

Conservatives—Messrs. Best, Campbell, Chisholm, Crothers, Currie (Simcoe) Fraser, Haggart, (Winnipeg), Kidd, Lancaster, Lewis, McCall, McCarthy, Magrath, Meighen, Russell, Sexsmith, Sharpe (Lisgar), Taylor (New Westminster) Thornton, Wallace—20.

Liberals—Messrs. Emmerson and Miller—2.

It was at first announced that the vote stood 23 for abolition which aroused much amusement.

In the evening Mr. J. D. Taylor brought forward his resolution. It recalled the fact that at Confederation it was designed that Canada should be divided into three divisions, each to have 24 senators and proposed that the west be regarded as a fourth division, to be alotted 24 senators, 6 for each of the four provinces. Mr. Taylor presented this very briefly. Mr. Fraser protested against Prince Edward Island's allottment having been cut down from four to three. The premier pledged himself if Mr. Taylor would withdraw his motion, to take it into his serious consideration. So Mr. Taylor withdrew it.

Mr. Lemieux is giving notice of a bill "to control the rates and facilities of ocean cable companies and to amend cap. 61 7-8 Ed VII entitled an act to amend the railway act with respect to the telegraphs and telephones and the jurisdiction of the board of railway commissioners.

Dr. Daniel is asking as to the condition of the life boat at Seal Cove, near the scene of the wreck of the Hestia, the drills performed by the crew, and other arrangements made for efficiency.

In the evening Mr. H. H. Miller managed to beat Mr. Aylesworth. Mr. Miller has a bill to amend the interest act, by making it possible for a borrower to pay off his mortgage on one month's notice, or by paying a months interest instead of three months as at present.

Mr. Miller moved the second reading, and duly argued out his case, contending that the present arrangement amounts to a distinct oppression.

Mr. Aylesworth would not have it. Mr. Miller rebelled and was supported by Mr. Carvell, Mr. Meighen and Mr. Nesbitt. Not a single Liberal supported Mr. Aylesworth and when the eyes and nays were called the motion carried.

STIRRING ADDRESSES BEFORE MONCTON CLUB

Mr. H. A. Powell, K. C., Addresses Conservative Club on Role Played by Party in Development of Country.

Moncton, N. B., Jan. 17.—The meeting of the Conservative Club tonight was largely attended to hear Westmorland's former representative, H. A. Powell, K. C., of St. John, N. B., Mr. Powell received a most enthusiastic welcome and spoke for over an hour along the history of the country before Confederation and the part played by the Conservative party. Incidentally he showed the weakness of Liberal claims that they made Canada, as they had viciously fought almost every proposal that today made for the greatness of the nation. He especially referred to the acquisition of the northwest and the construction of the C. P. R. He showed the weakness of the Laurier Government's new Transcontinental Railway in that it paralleled the Intercolonial in the east and instead of opening up a new country in the west, ran so close to the existing lines, that in many places for long distances, a stone could almost be thrown from one track to another.

Previous to Mr. Powell's speech, F. F. Sumner spoke briefly. Referring to the naval policy, he said the present government had neglected marine interests and today there was no examiner in the Maritime Provinces for young men who desire to take up the life of the sailor. There had been a marine examiner in St. John he said, but that official had voluntarily relinquished the magnificent salary of 12 dollars a month, which was all the Laurier government felt able to give. At the close of Mr. Powell's speech a vote of thanks moved by John C. Landry, seconded by Capt. Masters, and tendered by a rising vote. Mr. Francis Mackay gave two vocal selections. Several new members were admitted to the club, which now has an enrollment of two hundred.

PRESENTATION TO C. J. DRISCOLL ON WINNING PROMOTION

Mr. C. J. Driscoll, who for a number of years has been employed with the I. C. R., left last evening for Montreal where he will assume the position of chief clerk to Mr. R. E. Perry, assistant general freight agent of the I. C. R. Mr. Driscoll has for the past few years been in charge of the steamship business of the railway.

Yesterday afternoon Mr. F. Tapley on behalf of the clerks in the freight department, presented Mr. Driscoll with a handsome calabash pipe, suitably engraved, as a souvenir of their regard. A number of Mr. Driscoll's friends also presented him with a gold signet ring.

A large number of his friends were at the depot last evening to see him off and to congratulate him on his promotion.

CHRIST AGAIN

MR. HOWARD C
Well known artist is

Wife of Famous A Notorious Lette ing Peace With acter of Princi

Zanesville, Ohio, Jan. 17.— tion of Mrs. Maybelle Christy in her suit again Chandler Christy, a New to obtain possession of the Natalie, was continued tod

So far the testimony of M has been confined to her c and mariage to Mr. Christ of her reasons for claimin of guardianship have not into.

Mrs. Christy told how sh married the artist twelve just after he had returned where he first gained fam battlefield drawings for a paper. The witness spoke the great happiness of th eral years of her married early childhood days of lit

Life Dreary Without D

"Now my life has becom the days and nights are so out my baby," was the ap mother to the court. Sever Christy broke down and and at these times many the room wept in sympath

She said that for the sa child she was willing last forget all. Mrs. Christy sa sought a reconciliation th she met with a cool rece she arrived at the home band's family here.

In the cross-examinatio Durban asked about a le to have been written by to her husband several to the institution of the s

HER DREAM COME

The Express Makes It ance in England, ting the Proph Joanna Southcott.

London, Jan. 17.—A hu ago in Devonshire there traordinary woman, Joann From a domestic servant a prophetess. She declar supernatural gifts, writing ing prophecies and gather about 100,000 adherents. this strange woman's clai night forgotten a woman ice Seymour, whom "sile no longer," declares in able volumes just publ The Express, that the the eve of Joanna Southc tions. The dramatic featu phecies is that Joanna S up a box 100 years care fully corded and fron this the box, of which a appears in the first vol has never been ope ess said that this bo pampered with unless or by the bishops. It said, will convince t truth of the visitation

Divine Proof

at Joanna Southcott o the writer of the beginning in the fo century divine pro that her claims w l. Since 1904 it is pos s have followed rec been great floods droughts and six in two years. "judgments" w rted for ten yea arly severe in 191 he prophetess aft d." held a disput days. It is these rned into years