

The Toronto World

EIGHTEEN PAGES—SATURDAY MORNING MAY 11, 1912—EIGHTEEN PAGES

For Rent—75 Bay St.
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H. H. WILLIAMS & CO.
35 King Street East.

VOL. XXXII—No. 11,605

\$4,500—INVESTMENT

Three houses, near Queen and
Dundas, land alone worth the money.
rentals \$485 per annum.

H. H. WILLIAMS & CO.
35 King Street East.

PROBS: Easterly to southerly winds; warm;
fair at first, followed by rain.

About the Bank Merger

In view of the merger movement, let
me state the holding situation in a popular
and we trust accurate way, and how it
concerns the public. The other papers are
telling the story for the banks, and for
the shareholders; bank managers or di-
rectors are writing most of the articles.
You are reading today in the press.
That's significant!

In a bank of (1) five millions capital,
(2) five millions of reserve, (3) five mil-
lions of its own note-issue, and (4) thirty-
five millions of public deposits—in all
forty-five millions of dollars of banking funds
—FORTY-FIVE MILLIONS CAME FROM
OR WERE MADE OUT OF THE PUBLIC—
LIC—(that is one part, the shareholders,
nine parts the public. Should the public
then have a say? The Bank Act is the
only place where the public, who put in
most of the money, have a say.

Next, the capital of the banks is sub-
scribed by shareholders who, once a re-
serve is created and never forget that
a reserve is in 95 per cent of the cases
actually contributed by the public as
excessive profits—the shareholders re-
fuse to let in any new shares, except at
a premium commensurate with the re-
serve. The public are told that the re-
serve is a guarantee for depositors; the
shareholders regard it as a melon for
themselves; and they refuse a portion
of the melon to anyone except by way
of premium. Some do not want to see
new capital. It was so in the early days.

Next, as to the note issue that comes
because of powers conferred by parlia-
ment, and given to the banks for use
in their business, a dollar of note for
a dollar of shares. They only pay in-
terest to the state on what notes they
issue above their amount of capital,
known as an emergency note issue when
the crops are supposed to be moved.

Now, third, as to deposits. Banks are
primarily in existence to get other peo-
ple's money to use in banking. And the
savings is for deposits—not so much to
the public as to the banks. The banks
people's money to handle, sometimes even
to use in forwarding enterprises that di-
rectors and friends of directors may be
interested in. The invasion of Ontario
by Montreal banks by way of merger is
TO GET ONTARIO DEPOSITS, and
branch banks are mainly as catch basins
for deposits that may be used in
big centres, and often in promotions.

Big mergers are to get big money col-
lected into big places for big business—
mark that all you little fish!

One root-cause of the mergers is the
need the banks have of getting more
money. They are slow to get it by way
of outside capital. The inside shareholders
impose almost prohibitive terms—they
economize and try and take it out of
selves—and spread the payments over
there. A Dutch thrift about this ques-
tion, but it's not the way to provide big
capital.

A way must be found to recast the
status of the reserve fund—the melon
of the shareholders. Strange as it may
seem, yet we say this: that the share-
holders were forced to pay their reserves
back to themselves and to put it in
again as new stock, the available funds
would be increased by the note issue
which could be made against such new
capital. In other words, the fifty mil-
lion bank that formed our example in
the opening paragraph, would have fifty
five millions but no reserve. And if the
right on one hundred millions of reserve
o, all the banks were treated this way,
we could have another hundred mil-
lions of available funds—perhaps some
of it on paper. We are not urging such
treatment of the reserve; we are stating
a case. But the reserve kept as a
shareholders' melon is one cause of forcing
the banks to find more money by
mergers.

And in the example of the fifty-million
bank, let it be always remembered that
any group that can control two and a
half millions of the stock can control the
fifty millions in the bank!

The one check on the banks, the one
safety valve, is that the public can
withdraw deposits if they wish to. But
this would paralyze business. And the
moral of the situation, the one that must
come up when the Banking Act is re-
vised, is, how should banking be con-
ducted primarily in the interest of the
public who contribute nine-tenths and
secondarily to the reasonable profit of
the shareholders who put in the other
tenth, and who by the double liability
are liable for another tenth, and per-
haps equally with either so as to pro-
vide the general welfare.

And double liability is a question of
some concern to shareholders.

How to get more share capital in Eng-
land and in Europe and still better
more deposits from abroad, these are the
two big questions in the banking situ-
ation. The Royal Bank did the wise
thing when they reserved a portion of a
late issue for English subscribers.

But big mergers are a big bank trust
for the big trusts and big business. The
little fish can put in the deposits and
some of them that want money can so
disagree.

BIG DAY FOR MEN'S HATS

This should be one large shopping
day for men for hats. The fact that
the Dineen Company is receiving daily
new shipments of the latest designs
and that the stock embraces such ex-
ceptional blocks as those by Henry
Heath of London, England, for whom
Dineen is sole Canadian agent, and
Dunlap of New York, the greatest
American maker, should bring you to
these Christmas hats, stuff felt
Derbys, starting at \$2.50 each. All the
new styles also. Store open until 10
o'clock Saturday night.

FORE TOWNS GET HYDRO POWER

Barrie, Stayner, Collingwood, Coldwater and Elmville Will
Be Served by Hydro-Electric Commission at Favorable
Prices—Line South of Dundas Will Be Started Next
Week.

Five more towns in the northern part of the province will be served by
the Hydro-Electric Power Commission—Barrie, Stayner, Collingwood, Cold-
water and Elmville. This fact was announced yesterday by the Hon. Adam
Beck.

Preliminary estimates have been submitted by the commission to the
Town of Barrie for a supply of power under contract between the commis-
sion and the Simcoe Railway and Power Company, developing at the Big
Chute Falls on the Severn River. An extension of the lines built by the
commission supplying Midland and Penetang will be made to the five new
municipalities in the hydro-electric belt. Final estimates will be submitted
to these towns in the course of a week or two.

PRICES COMPARE FAVORABLY WITH THOSE IN OTHER PLACES

The prices will compare favorably with those prevailing at Stratford,
St. Mary's, London and St. Thomas, in the Niagara District. Barrie and
Coldwater are submitting bylaws on June 3rd and 7th. It is expected that
Collingwood will take action as soon as the final estimates are submitted.
This will mean much for the industrial development of the north.

CONTRACTS HAVE BEEN AWARDED FOR WORK IN DUNDAS DISTRICT

Contracts have also been let for the material for the new district south
of Dundas, including Caledonia, Hagersville and Cayuga. The erection of
this line will be under way in the course of a week. A considerable quan-
tity of power in this district will be used by the Alabastine and Crown
Gypsum Works. Very favorable power prices will obtain in this district.

CARD PLAYING AND DANCING SINGING TESTS THIS AFTERNOON

Methodist Episcopal Church is
Still Undecided Whether
They Are Matters of
Conscience.

Public School Pupils Will Be
Chosen for Big Concert
at Massey
Hall.

MINNEAPOLIS, May 10.—(C. A. P.)
—Paragraph 299 of the discipline of the
Methodist Episcopal Church still is un-
decided and the question of whether
dancing, card playing and kindred
amusements are to be left only to the
"conscience" of the members of the
church remains a bone of contention in
the committee on the state of the
church.

Dr. Leander W. Mulhall of Philadel-
phia administered a reproof to the Col-
lege of Bishops of the church when he
yield in opposing the striking out of
the section, that the bishops' duties are
such that they "cannot give full con-
sideration to the spiritual affairs of the
church and their judgment in this case
is not for the best."

KINGSTON HOTELMAN ASSIGNS
KINGSTON, May 10.—(Special)—W.
A. Telfer, proprietor of the British
American and Frontenac Hotels, has
made an assignment. His liabilities are
about \$22,000. He says he was forced to
assign by reason of the hold up of the
license for the Frontenac Hotel. For
some reason, the license commissioners
held over his license for the Frontenac,
and Mr. Telfer then blocked the trans-
fer of the British American to Messrs.
Halliday and Manley. Halliday is
now in charge of both hotels for the
season.

ABQUITH IN TAFT PLOT?
LONDON, May 10.—Andrew Bonar
Law, the leader of the opposition in
the house of commons, addressing the
annual love feast of the Primrose
League, in the Albert Hall to-day, di-
rectly charged Premier Asquith's gov-
ernment with assisting the United
States in its alleged designs on Can-
ada.

FOUND TRACES OF ARSENIC
BAD AXE, Mich., May 10.—Traces of
arsenic were found in the stomach and
liver of the late Soviet Sparling of Un-
timquily, by Chemist R. W. Fryer and
Dean Victor C. Vaughan of the Uni-
versity of Michigan, according to their
testimony at the trial of Dr. Robert
McGregor of London, Ont., charged
with the murder of the Sparling youth.
Experts also testified that Sparling
could not have died from any alleged
contagious disease.

DELEGATES HERE TODAY

OTTAWA, May 10.—(Can. Press).—
The delegates of the Brotherhood Fed-
eration left to-night for Toronto. Dur-
ing the day they held a meeting at
Stewartson Church, where addresses
were made and a dinner was ordered
to them at the Young Men's Christian
Association at which the object of the
visit was fully explained.

Right Hon. H. L. Borden met the
party on Parliament Hill.

TICKETS SELLERS BUSY

The ticket sellers at the Princess
Theatre have been kept busy dealing
out tickets for Miss Billie Burke's per-
formance in "The Runaway" next
week. Miss Burke is a great favorite
here, and it is said she appears to es-
pecially good advantage in this new
play in which she already scored hits in
various cities in the United States.

ST. THOMAS MAN KILLED

ST. THOMAS, May 10.—(Special).—
While returning from his work to-night
at the hydro-electric station at the
north of the city, Patrick O'Keefe, aged
35 years, fell from the high Pere Mar-
quette bridge into a deep gully, being
instantly killed.



YOUNG 'DOC' MACDONALD: "Jimmy Bryce may come out all right an' Bill
Taft may come up in it, but Wilf an' Billy Paterson an' Bill Fieldin's gone."

FURTHER HONOR FOR MR. RUST

Complimentary Dinner Given in
His Honor by Many Influ-
ential and Appreciative
Friends.

Another tribute was paid to C. H.
Rust, retiring city engineer, last even-
ing, when about 55 of his friends ten-
dered him a dinner at the Engineers'
Club. Willis Chipman occupied the
chair, and among those present were
Mayor Geary, Messrs. Sing, Spencer,
Chisholm, Drayton, Frederic Nicholls,
T. C. Irving, Dean Galbraith, Dr. C. J.
Hastings and others.

Messrs. Sing and Spencer and the
mayor proposed the toast to the guest
of the evening, and Mr. Rust made a
suitable reply. Short speeches also
were made by several others, all of
whom praised Mr. Rust and spoke very
highly of the work he has done for
Toronto. General regret was expressed
that he had declined to leave the city.

At the conclusion of the dinner Mr.
Rust was presented with a bound sou-
venir menu, containing the autographs
of all the guests.

SAYS POLICEMAN CUT HIS HEAD

Friends of French-Canadian
Will Ask for Investigation
Into Actions of Constable
and Others.

Claiming that he was hit on the head
by a policeman while on his way from
a party, Jules Racette, a respectable
young French-Canadian, lies in the
General Hospital with a badly lacerated
scalp. Racette says that he and a
number of friends were going home
last night and when crossing Wilton-
avenue and Sackville-street they were
accosted by a policeman, who, without
any provocation, so Racette declares,
immediately started to abuse them
and wound up by hitting Racette on the
head with his baton. The young man's
story is believed at the hospital, while
the police state that P.O. Lydiatt found
the young man on the street, where
he had fallen, and immediately had
him taken to the General Hospital in
the patrol wagon. No charge has been
laid against him.

Racette's friends, who followed him
to the hospital, corroborated his story
and state that they will ask the police
commissioners to investigate the case.

King Sees Mimic Naval War.

WEYMOUTH, ENG., May 10.—
(Can. Press).—King George spent
a long day to-day on board the
battleship Neptune, which headed
of the fleet out into the channel
for gun practice and battle man-
euvers. The weather being cloud-
y but the two battle squad-
rons were able to carry out their
gunnery practice fifteen miles
out at sea, and during the after-
noon the roar of the big guns
was distinctly audible here and
doors and windows rattled under
the concussion. His Majesty,
therefore, experienced as near
war conditions as is possible in
time of peace.

To-day's maneuvers at sea
ended with a submarine attack
on the battleships Neptune and
Hercules.

LUNCHEON TO PREMIER

Premier Borden will arrive in To-
ronto Tuesday morning and will be
tendered a civic luncheon at the King
Edward Hotel.

GOVERNMENT \$5 BILLS

OTTAWA, May 10.—The new four-
dollar bills are to be withdrawn
gradually from circulation, and the
government will issue a \$5 bill, the
first of that denomination. The shin
plaster is also likely to be withdrawn
at no distant date.

TAFT'S FINAL TOUR OF OHIO

President Will Make Ten
Speeches a Day Until the
Primaries Are Decided
on May 21.

WASHINGTON, May 10.—(C. A. P.)

—The complete schedule of President
Taft's final campaign tour of Ohio be-
fore the presidential primaries there on
May 21 was made public last night.

Political advisers of the president re-
gard his visit to his home state as of
the highest importance, and Mr. Taft
probably never has had a more diffi-
cult or exacting program of speech-
making mapped out for him. From
the time he leaves Washington next
Sunday afternoon until he returns on
the morning of May 22, the president
will be on the go practically every min-
ute. His only real rests will be in
Cleveland next Thursday and in Cin-
cinnati the following Saturday and on
election day, May 21. On every day he
speaks he will make ten speeches, ex-
cept on Saturday, May 18, when he will
make twelve, and on Thursday, when
he will speak at a big night gathering
at Cleveland.

GUARD OF HONOR FOR THE DUKE

Fifty Men From Each City
Regiment Will Escort His
Royal Highness on
May 18.

It was announced at the armories
last night that a guard of honor, con-
sisting of 50 men from each of the city
infantry regiments, and a representa-
tion from the cavalry regiments, will
be furnished His Excellency the
Duke of Connaught when he lays
the corner-stone of the new addition
to the Military Institute on University-
avenue on Saturday, May 18.

BRITAIN STIRRED AGAINST RUSSIA

Sentencing of English Woman
for Alleged Treason Arouses
Indignation — Foreign
Office Urged to Act.

WARSAW, Russian Poland, May 10.
(Can. Press).—Miss Malecka, an Eng-
lish woman, was sentenced to-day to
four years' penal servitude on a charge
of being affiliated with the Polish revo-
lutionaries.

Storm of Protest.

LONDON, May 10.—(Can. Press).—
The Liberal morning newspapers protest
strongly against the sentencing of
Miss Malecka, declaring that she was
sentenced on the flimsiest of evidence.
They demand that the British foreign
office take strong action against Rus-
sia in behalf of the woman.

Miss Malecka was arrested July 4 of
last year charged with complicity in
plots of the Polish revolutionaries. The
British foreign office made representa-
tions to Russia, which country replied
that altho Miss Malecka's mother was
English and her father a Pole natu-
ralized in England, the father never had
received permission to change his na-
tionality, and, therefore, in accordance
with British law, his naturalization
was ineffective and his daughter was a
Russian subject.

A MEETING OF BOYS WORKERS.

A meeting of all those interested in
the welfare of boys will be held at 8
o'clock this evening at the Moss Park
Boys' Club, 125 Shuter-street, to reor-
ganize the Boys' Workers' Union, and
to listen to an address by Sydney
Teller of Chicago on the boy problem.
Mr. Teller is an expert along the line
of supervised playgrounds and is in
Toronto giving three lectures under the
auspices of the Playgrounds Association.
In addition to Mr. Teller's ad-
dress there will be a demonstration of
the use of the moving picture machine
for educational purposes. All who are
interested are invited.

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