4 P.M. EDITION

London Advertiser

4 P.M. EDITION

42ND YEAR. NO. 17719 THE ADVERTISER, LONDON, ONTARIO, TUESDAY, JANUARY 9, 1906. —TEN PAGES. PRICE TWO CENTS

PRESIDENT PHILLIPS OF THE YORK LOAN CO. ARRESTED ON A CHARGE OF CONSPIRACY

False Returns to the Government Basis Given for the Prosecution---Criminal Charge Follows Auditors' Report---$10,000 Bail Secures Release of Prisoner.

Toronto, Jan. 9.—As a result of the finding of Mr. W. H. Cross in his interim report as examiner into the affairs of the York County Loan Company, and under instructions given directly by the Attorney-General, Hon. J. J. Foy, to Crown Attorney Curry, President Joseph C. Phillips was arrested yesterday afternoon, on a charge of defrauding the public by making to the Government false returns of the financial standing of the company. The arrest was made by Detectives Mackie and Twigg at the club house connected with the York Loan offices, at the corner of Roncesvalles avenue and Fermanagh avenue, between 5 and 6 o'clock. Mr. Phillips took his arrest quietly, and to the detectives expressed his satisfaction that the charge was not one of theft, but of conspiracy. He was first taken to Sergeant Detective Duncan's office at the detective department in the city hall, and, after a brief interview with Crown Attorney Curry, who reached the city hall about 6:30 p.m., Mr. Phillips was conducted to No. 1 police station, on Courmt street. Before leaving the detective office he asked for and received permission to telephone some friends.

Grossly Inaccurate Returns.

The report of the examiner, which led directly to Mr. Phillips' arrest, sets forth that the company's installment share account was grossly incorrect, with a shortage of at least $1,000,000. The published statements and the returns to the Government were increasingly untrue each year. All the officers of the company were evidently ignorant of this falsity except the president, who assumed the entire management, and in whom the company's officers and servants had unlimited confidence.

This report was given to the Attorney-General, Hon. J. J. Foy, on Friday last. On Saturday Mr. Foy had a conference with Mr. Cross and the latter's counsel, Mr. C. A. Masten, and it was decided to consult City Crown Attorney Curry. At 9 o'clock yesterday morning Mr. Masten called upon Mr. Cury, and after learning the latter's views, communicated again with the Attorney-General. Hon. Mr. Foy thereupon instructed Mr. Curry to take steps for the apprehension of the York Loan president, and at 4 p.m. the detective department received its orders. The information, which is laid under section 394 of the code, was sworn to by Detective Mackie, before Deputy Magistrate Kingsford. Detectives Mackie and Twigg left at once for Parkdale and in less than an hour they returned with their prisoner.

A Charge of Conspiracy.

The information which Detective Mackie laid before the deputy magistrate, and upon which the latter issued the warrant for Mr. Phillips' arrest, reads, in part, as follows:

"That Joseph Phillips, in the years of our Lord, 1901, 1902, 1903, 1904 and 1905, in the city of Toronto, did, contrary to law, conspire with others, whose names are to your complainant at present unknown, by deceit, falsehood and other fraudulent means, to defraud our Sovereing Lord the King, his crown and dignity, and to the evil example of all others in like case offending, and contrary to the form of the statute in such case made and provided."

The maximum penalty for the offense with which Phillips is charged is seven years' imprisonment in the penitentiary.

Released on $10,000 Bail.

About 10:30 o'clock last evening Mr. Phillips was released from custody, after the necessary arrangements for bail had been made. Mr. W. H. Hunter, of the legal firm of Hunter & Hunter, came to No. 1 police station with the deputy magistrate, and there gave his bond for $5,000, Mr. Phillips giving his recognizance for a like sum, Crown Attorney Curry having consented to accept bail in $10,000.

Earlier in the evening Mr. Curry stated that he had had no opportunity to go carefully over the report, and until he had done so he could not say whether or not other charges would be laid against Mr. Phillips in addition to the one upon which he was arrested.

The firm of Hunter & Hunter are solicitors for the York Loan Company, and Capt. A. T. Hunter, brother of Mr. W. H. Hunter, was vice-president of the company.

Shortly after Mr. Phillips' arrest, Hunter & Hunter retained Mr. J. E. Jones, of the firm of DuVernet, Jones, Ross & Ardagh, to look after Mr. Phillips' interest. Mr. Jones was present when the bail bonds were given.

Mr. Phillips, who naturally wore a pleased expression at being released, left the police station with Mr. Hunter, and proceeded to his home, where he passed the night. He will appear in police court this morning to answer the charge of conspiracy.

Shareholders Will Meet.

The York Loan shareholders' committee will meet at the Methodist Book Room tonight. Some Toronto capitalists want the committee to cooperate in the purchase and development of the York Loan real estate assets, and some propositions are to be placed before the committee. One of these is to urge the Toronto Railway Company to lay a new line on Roncesvalles avenue. Another is that the city take over the Southern Power Company's scheme and operate it as a municipal enterprise. The committee may decide to take part in a petition for action by the Ontario Legislature. From the interest already taken by the Government the committee feel confident that any reasonable proposition would receive support from the Attorney-General.

The following is one of the most important extracts from Mr. Cross' report:

"I find that the last return made to the department of loan corporations, dated Dec. 31, 1904, shows the mortgage loans on real estate as $1,001,-125 81, which should have appeared as $272,565 17, the difference consisting of the following three items:

Mortgages representing the full purchase price of land transferred by the York County Loan Company to the City Realty Company, which latter company had no independent existence, being created solely for the purposes of the York County Loan Company, $646,525.

The misrepresentation of this large amount was deliberate, and the president did not disclaim knowledge of its obvious effect.

Advance, without security, to the Liszt Piano Company, $42,827 52.

Advance to Southern Light and Power Company, $39,138 12.

"Both the latter amounts have been since increased, as before mentioned.

"I find that in the said Government return as of the 31st of December, 1904, the item of real estate appeared as $910,919 78, to which should be added the item mentioned in the last paragraph, $646,525, making in all $1,557,-434 78.

"From the ledger account, covering real estate, it appears that this item is made up as follows:

On hand Jan. 1, 1896 ....$	4,536 55
Purchased since	731,372 34
Buildings and improvement.	565,687 82
Taxes and fire insurance	77,045 85
Real estate expenses	29,806 39
Transferred from general expense	199,600 00
Profit assumed ... ...-	15,600 00
	$1,623,548 95
Cash sales	66,114 17
	$1,557,434 78

"The actual value of this asset has yet to be determined.

"In the said return of 31st of December, 1904, the amount of the forfeitures

(Continued on Page Three.)

MR. JOSEPH PHILLIPS,
President of the York Loan Company, Placed Under Arrest Yesterday on a Charge of Conspiracy to Defraud.

Municipal Jottings.

The board of education deadlock has apparently assumed a serious phase. For some time it was hoped that an amicable arrangement would be arrived at, but just at this moment it seems improbable. The Liberals are doing their best to placate their opponents, and have offered them two out of three chairmanships. But Mr. W. W. Gammage, who has sat on the board for years, and who has been overlooked time and again simply because of his politics, refuses to stand aside for a Conservative as chairman of No. 2 committee.

Mr. Gammage, in this stand, has the support of all fair-minded citizens. He has been always fair in his dealings, and is entitled to the honor by long and efficient service.

Dr. Teasdall, who has been nominated by the Conservatives for chairman of No. 2, it is said, is willing to stand aside for Mr. Gammage, but the doctor's own political colleagues refuse to allow him to do this.

Dr. English is credited with making the threat that if Chairman Strong calls a meeting of the board to break the deadlock, as he is entitled to, under the educational act, the Conservatives will not put in an appearance, and there will consequently be no quorum.

It is difficult to believe that this babyish course is contemplated. As one citizen puts it, some of the trustees have ruled the board so long that they have grown to believe the chairmanship plums are theirs by divine right.

If the Conservatives remain away the deadlock will be indefinitely prolonged, and it will be impossible to transact the business of the board. In such an event, the onus will be upon the Conservative trustees, as they do not attempt to deny that under the act Chairman Strong has the right to break any and all deadlocks which may occur.

Thus far Mr. Strong has not received the city solicitor's opinion on the matter, and it is not at all probable a meeting will be held earlier than Friday, and probably not until next week.

Dr. English, it is still further alleged, threatened to carry on the business of the board through the old committee appointed last year, but the majority declare they will stand for none of this.

The matter of license reduction appears to be finally settled, and it is probable that no fight will be put up against the bylaw, which will be introduced to reduce the number of liquor licenses in London to 26. Ald. Booth made this clear at the mayor's banquet last night. As will be remembered, there was some doubt expressed as to what the alderman would do in regard to the bylaw, as it was hinted that his

Continued on Page Eight.

THE WEATHER.

Tomorrow—Fair and Milder.

London, Tuesday, Jan. 9.
Sun rises..7:50 a.m. Moon rises..5:23 p.m.
Sun sets...4:58 p.m. Moon sets...6:42 a.m.

FORECASTS.

Toronto, Jan. 9—8 a.m.
Today—Fair and cold.
Wednesday—Fair, with higher temperature.

TEMPERATURES.

Stations.	8a.m.	Min.	Weather.
Calgary	12	10	Fair
Winnipeg	8	4	Clear
Parry Sound....	— 6	— 6	Fair
Toronto	12	8	Fair
Ottawa	— 2	— 6	Snow
Montreal	— 4	— 8	nSow
Quebec	—12	—14	Clear
Father Point....	0	4	Clear

The sign — indicates below zero.

WEATHER NOTES.

The weather has been much colder from Lake Superior to the Maritime Provinces, and milder in the Northwest. Light local snowfalls have occurred in Ontario and along the Nova Scotian coast.

LOCAL TEMPERATURES.

The highest and lowest readings of the thermometer at the local observatory for the 24 hours ended at 8 p.m. Monday were: Highest, 18.5°; lowest, 1.5° above.

Well! Well! Well! How's This, Dr. Osler?

[Special to The Advertiser.]

Belleville, Jan. 9. — Rev. Dr. Gardner, superannuated minister, and 89 years old, the father of H. F. Gardner, superintendent of the Asylum for the Blind at Brantford, routed a bold burglar at an early hour this morning with a pitchfork. The man had broken the glass in the front door and was trying to crawl through the opening. The minister struck at him with a cane, which the burglar snatched away from him. He then grabbed a pitchfork in the hall and stabbed him deeply. The man dropped, but was carried away by an accomplice.

BLOWN 32 MILES

Freight Car on Canadian Northern Makes Remarkable Run.

Winnipeg, Man., Jan. 9.—During the high wind of last Friday a C. N. R. freight car standing on a siding at Glenella was blown on to the main line and went thirty-two miles before coming to a standstill at Neepawa Junction. The car went through Gladsome at a high rate of speed, giving some of the inhabitants quite a scare as it went dashing by.

GAYNOR AND GREENE

Alleged Georgia Conspirators to at Last Face Trial.

Savannah, Ga., Jan. 9.—Greene and Gaynor, defendants in the biggest conspiracy case ever known in Georgia, will make their appearance before Judge Emory Speers, in the United States Court today.

"After four years, lacking one month, we are ready to begin trial again," said Mr. Marian E. Erwin, United States Special Assistant Attorney-General, "of the prosecution of the Greene-Gaynor case. We will go back four years, that's all."

JOB PRINTERS QUIT WORK

Some 14 or 15 Are Out for the Eight-Hour Day.

There was a little flurry in the printing trade today, when some fourteen or fifteen union job printers quit work, in support of the eight-hour movement. The question of wages is not involved, as most of the firms pay more than the union scale, although only a small minority of job printers in the city are members of the union. The men at present work nine hours per day, and the union asks for an eight-and-a-half-hour day for eighteen months, and an eight-hour day after that. Only three firms employ union labor—A. Talbot & Co., Lawson & Jones, and The Advertiser job department. So far as The Advertiser job-room is concerned matters are being amicably adjusted with the union.

ORGANIZED FOR 1906

Separate School Board Re-elects the Officers of 1905.

The separate school board of London held its inaugural meeting last night, and re-elected Mr. William McPhillips as chairman.

Mr. O. Labelle was appointed representative on the public library board; Rev. Father Egan was re-elected superintendent of schools, and Mr. M. O'Sullivan was again chosen secretary-treasurer.

The committees were named as follows:

No. 1—Messrs. Philip Pocoke, B. C. McCann and Jerry Loughlin.

No. 2—Messrs. W. P. Regan, R. M. Burns, Frank Forristal and Dr. Claude Brown.

Dr. W. J. Tillmann, having been elected in 1905 for a two-year term as the representative on the high school board, it was not necessary to take action in this matter this year.

A resolution of condolence with Trustee Regan, whose brother met death suddenly at the G. T. R. depot some time ago, was unanimously passed.

The financial statement showed the schools to be prospering, and it was the cause of a number of congratulatory speeches.

WRECK ON PERE MARQUETTE

Fast-Traveling Freight Crashes Into a Standing Train.

[Special to The Advertiser.]

Leamington, Jan. 9. — A wreck occurred on the Pere Marquette Railroad here today, which narrowly escaped having most serious results. As it was two freight cars were smashed and several others derailed.

An eastbound freight had stopped on the main line some three miles east of the town, when another eastbound freight traveling at a high rate of speed dashed into the rear of the standing train. The engineer and fireman escaped injury by jumping.

The Forestry Convention.

Ottawa, Jan. 9.—The delegates to the forestry convention are commencing to arrive in the city. The convention opens at 10 o'clock tomorrow. Earl Grey, Sir Wilfrid Laurier and others will address the gathering.

SEVEN TENEMENT HOUSES PLUNGE INTO A CLAY PIT; NEARLY A SCORE PERISH.

Midnight Horror at Haverstraw, N. Y., When Entire Block Slides From Base and Drops 100 Feet.

Haverstraw, N. Y., Jan. 8. — Ten bodies burned beyond recognition had been taken early today from the smouldering ruins of the tenement houses, which, by a landslide, were carried into a clay pit, shortly before last midnight. Undermined by the shifting clay that had been softened by yesterday's snowfall, the several homes, with their threescore sleeping occupants, toppled over the brink of the pit and crumbled to pieces. The houses, which were of wood, were set afire from overturned stoves, and were soon a mass of flames. Some fifty or more tenants escaped with more or less serious injuries, while a number, variously estimated at from fifteen to eighteen, are believed to have been killed outright or burned to death.

Seven Houses Go Down.

The landslide occurred on Rutland street, in the east end of the town, where two blocks of houses are supposed to have been undermined by workmen digging clay for brick-making. The catastrophe occurred without warning, and while the victims were asleep. Seven houses went down in the crash. They stood on the brink of a pit one hundred feet deep, and when the clay gave way were carried to the pit's bottom. Those who were not killed in the crash of their homes either escaped with many injuries, or were burned to death in the ruins, which immediately took fire. The landslide broke the water mains, shutting off the supply of water, and greatly impeding the work of rescue. Unresisted, the flames spread to other buildings, and but for the timely arrival of hundreds of volunteer fire-fighters might have wiped out the town.

Landslide Came Gradually.

Those supposed to have perished are:

Mr. Nelson, furniture dealer; Benjamin Nelson; Mrs. Silverman; Mrs. Silverman's son; a Jewish rabbi; Mr. and Mrs. Cohen and five Cohen children.

The missing include Mrs. Bailey, two of the Mannion family, the entire Lanny family, and seven Hebrew laborers.

The landslides came gradually at first. The ground, weakened by the rain and snow of the last few days, showed crevices near the edge of the street late in the afternoon, and in the evening portions of the bank began to give way. The street was not thickly populated, former dwellers having left on account of the fear of just what happened.

Many of the residents left their homes early in the evening before the final crash came. The Nelsons were endeavoring to move their effects, and the rabbi was assisting them. This was also the case with Mrs. Silverman and her son.

When the final slide came, it came so suddenly that those who had lingered in their houses had absolutely no opportunity to escape. The bank caved from twenty to sixty feet at the top, and for a distance of two blocks from Division street likewise fell.

Those who lived in three houses at the end of the row, and which did not go down in the wreck, were aroused by a frightful roar and crash, above which sound could be heard the shrieks of the victims. There was a plunge, a shivering of the earth all around, and there was stillness.

Wreck Burned Fiercely.

When the neighbors rushed, half-clad, from their houses, the buildings close to them had disappeared. Only a gap in the cliffside told the story. It was very dark, with no street lights, and those who had been spared were so wild with alarm for their own safety that it was several minutes before any general alarm was given.

Before this could be done the frame structures of the fall of the houses had taken fire from the scattered coals and lights in them, and soon the whole of the wreck was burning fiercely, the flames rising above the side of the pit.

As crowds hurried to the scene and the fire department galloped up a second landslide occurred. In it several persons who had ventured too near the edge of the pit were nearly carried over to death. It was necessary to move the fire apparatus to insure its safety, and so uncertain was the earth that the efforts of rescue were greatly retarded.

Rescue Was Difficult.

From below men entered the pit, but could not get near the wrecks of the houses because of the flames. The whole pit grew so hot soon that those who sought to attack the flames or rush in, and, if possible, save some who might have survived the fall, could not approach the wreck.

Large forces of men who work in the brickyards by day were mustered to aid in the work of rescue, but their efforts were in vain. All the tenants of the houses still standing were driven out, as the structures are in momentary danger of following their fellows into the pit.

The frightened tenants were cared for by neighbors.

200 BAD BOYS FIGHT BIG FIRE

The Mimico Industrial School Burned, but Little Fellows Didn't Vamoose.

Toronto, Jan. 9.—Deterred from escaping either by the cold night or the fear that they would be blamed for the fire, the two hundred boys confined at Victorian Industrial School, at Mimico, united with their officers and saved thousands of dollars' worth of property in a blaze which carried away their schoolhouse yesterday afternoon. It was only by their prodigiuos efforts that the gymnasium and several other buildings were saved. As it was, the damage will amount to something like $12,000. Insurance is about $8,000.

The cause of the fire is not known, but most are inclined to attribute it to the furnace and ventilation flues. There was, however, a rumor about that perhaps some of the boys were the cause.

SHOT, SANDBAGGED BY BANK THIEVES

Plucky Watchman May Die, But He Foiled Robbery of Western Bank.

Winnipeg, Jan. 9.—The office of the Bank of Montreal at Regina was entered by burglars about 3:30 o'clock yesterday morning and George Jackes, janitor and watchman, was shot in the leg when he interrupted proceedings. He was afterwards rendered unconscious by a sandbag or similar weapon. The crooks made their escape without securing any booty.

The burglars entered the building through a rear window in the basement. Jackes was aroused by the noise and started down. One of the burglars fired, and the bullet struck Jackes. The latter returned the fire, but did not do any damage. He was then felled by a blow on the head. The burglars scrambled out of the building, and Jackes ineffectual shot at them, but the noise of shots attracted the police, and the burglars made their escape in a hurry. Jackes was found unconscious and his recovery is doubtful.

British Elections Jan. 13; Parliament Dissolved

Leaders Take to the Hustings and the Big Campaign Is On---New House Meets Feb. 13.

London, Jan. 8.—King Edward, who had been absent in the country since Sir Henry Campbell-Bannerman's cabinet was formed, returned to London this afternoon, and held a meeting of the privy council, at which the proclamation dissolving Parliament was signed.

Immediately afterwards writs were sent to the returning officers for the election of members of the new parliament.

The new Parliament, in accordance with the law, his majesty has summoned to meet at Westminster, Feb. 13.

The first polling will take place Jan. 13, at Greenwich, where Lord Hugh Cecil, leader of the Conservative free traders, is engaged in a triangular fight for the Unionist seat against a Liberal and a Chamberlainite.

The last poll must close Jan. 27. Therefore, within a fortnight, the verdict of the majority of the electors will be known and the probable life of the Liberal Government will be measureable.

(Continued on Page Three.)

Diamonds Like Hazel Nuts in Ontario Wilderness

New York, Jan. 9.—The Tribune this morning says:

That there may be a rich diamond field somewhere in Canada, probably in the Province of Ontario, was the opinion expressed last night by Dr. George F. Kunz, the mineralogist of Tiffany & Co., before the New York Academy of Sciences at the American Museum of Natural History. Since 1830 about 200 small diamonds, ranging from one-half the size of a pea to that of a small hazelnut, have been found in various parts of the United States, where they were presumably deposited by glaciers.

Dr. Kunz explained that in an early period in the history of the world, two glaciers descended over the continent of North America. One came directly south from James Bay over Lake Superior, upon what is now the seat of Indiana, Michigan, Wisconsin and Ohio. A second glacier came down upon the same territory from the northeast. Dr. Kunz believes that the first of these glaciers carried into the United States diamonds from a northern source yet undiscovered.

Dr. Kunz, in his speech, said in part:

"The new national transcontinental railway from Quebec to Winnipeg and the great wheat region of Manitoba, will traverse much of the country whence the diamonds have probably come. Dr. Ami declares that the Government is sending out numerous surveying parties for exploration along the route. Some of these may make interesting and even important discoveries."

WINS WAGES CASE

Colborne Griffith Recovers Judgment Against Henry Rea.

Magistrate Love gave judgment in favor of Colborne Griffith this morning in his case of nonpayment of wages preferred against Henry Rea. Griffith contracted with Rea to excavate a cellar on Park avenue in October, and as he states, finished the job in December, to the satisfaction of Rea. Later, however, Rea expressed his displeasure with the work. He held back $5 of Griffith's wages, and this the latter sued for, and obtained.

Two young fellows became noisy on the street last night. They were intoxicated and scrapping, and were fined as a result this morning. They contributed $5 each.

Mary Stevenson, without home, friends and money, was found guilty of vagrancy, and sent to jail for three months. She was fined $1 as an alternative, which she couldn't pay.

Three first-offending drunks were allowed to go.

BIG FIRE AT THE HUB

Wormwood Warehouses Ablaze and Hands Have Narrow Escape.

Boston, Jan. 9. — A fire of threatening proportions broke out shortly after 9 o'clock this morning in the wormwood warehouses on a street in the South Boston district. The fourth alarm was given at 9:30. At that time the blaze seemed to be almost entirely in possession of the interior of the warehouse, which, like the others in the block, is a six-story brick structure.

The fire started on the third floor, which is occupied by Joseph Joseph & Bros., iron and metal workers. The rest of the building was occupied by the Railway Supply and Manufacturing Company, which handled cotton and wool waste, and whose quarters were filled practically with this material.

A number of girls who are employed by the firm in sorting the waste were at work when the fire started, but all escaped. Loss, $100,000.

Czar's Life in Danger.

London, Jan. 9.—The St. Petersburg correspondent of the Times cables: The authorities have the information that the Czar's life will be attempted whenever he leaves the palace, and extraordinary precautions have been takn at Tsarskoe-Selo.

Took Carbolic Acid.

Portage la Prairie, Man., Jan. 8.—Today Mrs. Higginson, wife of one of the most respected farmers in the district, in a fit of despondency, took carbolic acid and succumbed to its effects. No suspicion was entertained that she contemplated suicide.

OFF FOR THE CONFERENCE

French Agent to the Moroccan Talk Leaves for Scene.

Paris, Jan. 9. — M. Revoli, former governor of Algiers, and head of the French delegation to the Moroccan conference at Algercera, accompanied by a numerous suite, left Paris at noon today for Spain. His departure was the occasion of a notable gathering of officials, including representatives of Premier Rouvier, and all the cabinet ministers, and numerous military and civil officials, M. Regnault, the second French delegate, leaves tomorrow. The party will stop at Madrid in order to participate in the wedding of the Infanta Maria Teresa on Jan 12, to Prince Ferdinand.

BASEBALL OPENING DATES

The National and American Leagues Split Over the Schedule.

Chicago, Jan. 9.—The American and the National Leagues have split over the schedule question, and next spring there will be two openings. The National League, at its recent meeting in New York, voted to begin the playing season on April 12. President Johnson, of the American League, said this date was too early, and after failing to persuade the National League to postpone its opening date, last night announced that the American League will not open the season until April 17, regardless of what the National League shall do.

U.S. Battleships in Collision

New York, Jan. 9. — Five great battleships, the flower of the American navy, under command of Rear-Admiral "Fighting Bob" Evans, were near grave disaster yesterday in the lower bay.

Many lives and millions of dollars were endangered. Only a wonderful bit of good fortune saved the fleet from wreck.

Two battleships, the Kentucky and the Kearsarge, ran aground, and in an effort to avoid a similar fate the magnificent Alabama smashed into the grounded Kentucky, and both ships were badly damaged.

The damage was mostly to the Kentucky, which had to be ordered back to the Brooklyn navy yard for repairs. She will go out of commission meanwhile. The Alabama put to sea with the rest of the fleet, but showed marked evidence of the collision.

For two hours work centered in getting the Kentucky and the Kearsarge afloat.