

# The Toronto World

FOUNDED 1880.  
A Morning Newspaper Published  
Every Day in the Year.  
WORLD BUILDING, TORONTO,  
40 WEST RICHMOND STREET.  
TELEPHONE CALLS:  
MAIN 3305—Private Exchange con-  
necting all departments.  
\$2.00  
will pay for The World for one  
year, by mail to any address in Canada  
or Great Britain. Delivered in Toronto  
or for sale by all newsdealers and  
newsboys at five cents per copy.  
Postage extra to United States and  
all other foreign countries.  
\$2.00  
Subscribers are requested to advise  
us promptly of any irregularity or  
delay in delivery of The World.

MONDAY MORNING, OCT. 7, 1912

## A CLEAN-CUT ISSUE.

Let us not lose sight of the issue involved in the recent action of the Canadian Pacific Railway Company. Financial experts may talk learnedly about debentures, fixed charges and hidden assets and appear to prove almost anything by an array of figures and technical terms, but the fundamental facts underlying the melon cutting can be stated in every day English and in a few words. The company has increased its capital, by issuing new stock of the par value of \$50,000,000, and is allotting that stock to the present stockholders of the company at 175, although its market value is upwards of 275.

Now we take it to be a self-evident proposition that no public utility corporation has the right to burden its grant and its earnings with a stock or bond issue, unless all the money intended to be raised thereby, is necessary for the undertaking. Raising the money at all, either by a bond or a stock issue, can only be justified upon the assumption that the earnings capacity of the corporation will be increased thereby, sufficiently to carry, and more than carry, the annual charge created without imposing any additional burden upon the public.

Now it is also self-evident when a railway company raises money, either by a stock or bond issue, that all the money so realized must be put into the undertaking. The Canadian Pacific Railway for example would have no right to borrow \$100,000,000 on a mortgage and devote one-half of that sum to railway purposes and the other half to foreign missions. Certainly the treasurer of the company could not take part of the money raised on this mortgage and put it in his own pocket. Will it be claimed that the directors or the stockholders could take \$50,000,000 of the \$100,000,000 and divide it among themselves personally?

It is clear that the proceeds of a stock or bond issue must go, and all go, into the treasury of the company and be expended upon the property and in the business of the company. The treasurer of the company cannot break into the company's vault and carry off part of that money for himself; the directors cannot appropriate it to their own use and neither can the stockholders divide up this money among themselves.

The Canadian Pacific Railway Company has the check of a government mortgage, but it would not be cheeky enough to announce that it was going to raise a large sum of money by mortgage or otherwise and divide the same among its stockholders; the Dominion Government is as patient as the same animal, but such an announcement would startle it, we believe, into action. Yet a very slight analysis of the course actually taken by the company at once shows that this is practically what it has done. Does not the melon cutting in fact amount to this, that the company, by its method of stock issue, is handing over to its stockholders \$50,000,000 of value really belonging to the enterprise?

Any sum of money raised by the company either by a bond or a stock issue is impressed with a trust and must be devoted to the undertaking and to increasing the efficiency of the plant and to making more economical its operation. No part of the money belongs to the stockholders; it cannot be lawfully paid to them out of the treasury nor can they lawfully grab any part of it, thru a stock sale or by the melon or rake off route.

The new stock just issued by the C.P.R. is worth in the market \$165,000,000. People would be shocked if the company obtained this sum, and at once divided \$50,000,000 of it among its stockholders. It therefore does the same thing. In another way, by giving this stock to the stockholders for \$105,000,000. The public, the real purchaser, will pay \$165,000,000 to the stockholders. To the stockholders will be diverted \$55,000,000, which belongs to the company, to the enterprise, to the undertaking.

The government of Canada and the Canadian Pacific Railway Company are joint partners in this enterprise. What would be thought of a partner who borrowed \$15,000 on a partnership plant and put \$10,000 to the credit of the business and gave the other \$5,000 to his wife, or son, or spending money?

STONES FOR BREAD.  
It is clear from the development of the plans of the Electrical Development Company and its associated interests that they are very much more alive to

the importance of Greater Toronto than the city council has been for several years past. Many theories have been advanced why the Toronto Railway Company would not extend its lines into new city territory. The truth appears to be that in the first place the company had no more power facilities at its disposal than were enough to operate the present system, and in the second place, that they had a much more profitable market for power, heating and lighting in the extra-urban district.

The new transmission line of the Toronto Power Co. is to curve round the northern suburbs, and a large part at least of the strenuous opposition to the annexation of the northern territory must be attributed to the influence of the electric interests, anxious as they are to anticipate and supplant the hydro-electric system in such a lucrative and tempting territory. The action now taken also helps to explain the reluctance of the directors to sell out to the city, and it puts a new complexion entirely on the spurious complaints of the "widows and orphans." The widows and orphans had a mighty good thing in their stock, and it is to be hoped that they held on to it as the directors did.

We cannot but deplore the fact that the city council, and some aiders and abettors of the city council in petty policies, do not appreciate the future of Toronto as the corporations do. Another case in point is the Humber Valley boulevard scheme. The council seems determined to throw away invaluable opportunities. If they do, in years to come the citizens will abuse past councils, and also as the public frequently does, men like Mr. R. Home Smith, who has done what he could to endow the city with a valuable and beautiful park property and railway franchises.

If the corporations do get ahead of the people, it is very largely the fault of the people's representatives. While all these things are going on, there is no adequate legal adviser at the city hall to protect the people's interests, and the mayor himself, it is understood, blocks the way to any appointment but that of a man who would scarcely be described, even by himself, as first-class to wit, Mr. G. R. Geary. When the city council is elected, the people humbly hope that the mayor, controllers and aldermen will look after the interests of the city, and not merely after their own interests. A few members of council do honestly strive to do their duty, but what are they among so many? The people ask for bread, but receive stones, and pretty rocky ones at that.

## TOO HIGH A PRICE.

The Financial Post admits that, at first blush, the C. P. R. melon seems to be a big one. The stock having been allotted to the fortunate stockholders at 175. The Post observes that:

"As the market value of the shares is about \$275, it looks to those unfamiliar with the financing of large undertakings like a very generous bonus to the shareholders."

But to those familiar with high finance the melon is modest indeed. Of the 25,000 stockholders of the C. P. R., some 25,000 are foreigners and the Post says:

"To get future money readily it is advisable for the company to retain a reputation for fair and even generous treatment of its foreign shareholders. Such a reputation has made it easier for other Canadian corporations seeking foreign funds."

Many a man stints his wife and children and neglects his home in order to get the reputation of being a good fellow by spending money lavishly abroad. But is this ideal desirable? Generosity should begin at home, and it is high time that the Canadian Pacific Railway Company acquired the reputation of dealing fairly, if not generously, with the people with whom and upon whom it lives.

For one of the wealthiest companies in the world, in a time of unbounded prosperity, to pay a bonus of \$50,000,000 in order to raise \$105,000,000 of common stock and common humanity. This \$105,000,000 could be borrowed in the markets of the world at four per cent, or an annual charge of slightly in excess of four million dollars. In order to maintain its reputation among its foreign stockholders for generosity, the company issues \$50,000,000 of ten per cent stock, thus creating an annual charge of six million dollars.

The western Canadian farmers and their children, and their grandchildren after them, must pay an additional two million dollars per year in freight rates to pay for this generosity to the foreign shareholders.

If Canadian corporations must pay a bonus of \$50,000,000 for \$105,000,000 of Dutch, German and English money, they had better get money from some other source or do without. The absentee landlords of Ireland never rack-rented their tenants as do the Dutch, German and English landlords of the C. P. R. oppress and plunder the yeomanry of western Canada and of all eastern Canada for that matter.

# THE OPEN SEASON FOR BULL MOOSE



## PLAYS GAME OF TORONTO POWER

Newmarket Likely to Be Left Off Hydro Map if Mayor Cane Does Not Move.

Mayor Cane of Newmarket must not be surprised if the public conclude that he is playing the game of the Toronto Power Co. against the people's hydro-electric system. Negotiations have been going on for some time with a view to extending the hydro lines from Cookville to Aurora, Newmarket and Bradford, and Ballantrae, Uxbridge and Port Perry, with branch lines to Richmond Hill and to Stouffville and Markham. A meeting of the united municipalities was held at Uxbridge, and it was expected that nothing would occur to prevent the speedy completion of the plans.

Newmarket, however, hung back, and it is stated that Mayor Cane merely used the hydro figures to obtain slightly lower figures from the Toronto Power Co. Mayor Cane knows very well that no comparison can be made at this stage between hydro and corporation figures. The hydro estimates are always the highest that ever can possibly be charged. The corporation rates are put as low as they can ever be. They may be higher in future. The best that can be expected is that they will stand still. But under the hydro system the rates are constantly being reduced. The more consumers there are, the more municipalities join in the scheme, the lower the rates will be. And the Newmarket people would get lower rates on account of the increasing competition in Toronto and in other places, as well as in their own town. It is a co-operative system and the municipalities own the plant. When the plant is all paid for another substantial reduction in rates may be expected. The rates quoted by the corporation will never be any lower.

Mayor Cane knows all this, and because he knows it and still seeks to tie his fellow-townsmen down to the more expensive system, we do not think it unfair to say he is playing the game of the corporation against the people's hydro system.

What have the Newmarket people to say to this? If they get together with the neighboring municipalities they can have cheap power, growing cheaper all the time, and reliable power, and power which will be at the disposal of the poor man at the lowest rate, as well as the rich man.

Hon. Adam Beck is going to speak at Newmarket soon. The town council should find out where it is at, and not let Newmarket be sidetracked.

CLOSING UP A BIG DEAL.  
When big business men get together to close up big business, it's time for clear heads and steady nerves. And when arguments wax hot and the body grows warm, it is the time for a hot drink of Radnor. This famous water with its brilliant sparkle and delightful exhilaration is the daily beverage of Canada's brightest and brainiest business men. Radnor mixes with anything.

LADIES' LEATHER BAGS.  
Some one has said, "There is nothing better." This is the case so far as ladies' hand bags are concerned. They have strength and beauty, and range from \$3 to \$20.

Wanless & Co.  
Toronto's Oldest Jewellers  
402 Yonge St., Toronto

## Dividend From Ontario Bank

Double Liability Call Brings in \$1,400,000—Payment With- In Year.

There is a likelihood that a dividend will be paid to the Ontario Bank shareholders within the next year. This is brought about by the fact that so far on the double liability call the sum of \$1,400,000 has been realized. This is more than enough to meet the liabilities and there is already in hand about \$200,000 that will be paid back in the form of a dividend.

## C. P. R. STRATEGY.

Hamilton Herald: Sir Theo. Shaughnessy now explains that the \$50,000,000 issue of the C. P. R. stock to take the place of consolidated debenture stock has nothing to do with the company's application to the government for its consent to an issue of stock. He says that another stock issue will be required for other purposes than those for which the sixty million issue was authorized by the shareholders.

All of which suggests the suspicion that the application for an additional grant of the company's request for an additional grant in council, and thus gain some credit; and the directors of the company will meekly acquiesce in the government's decision, all the more meekly because they have got in another way what they wanted.

And then, very likely, the company will ask for some important concession as compensation for the government's refusal.

## THE NEW CUNARDER "LACONIA."

The advance in ocean-going steamship construction is forcibly illustrated by the new Cunarder "Laconia," 18,200 tons, which has been chartered by Frank C. Clark for his first cruise ship, the "Friesland," used 18 years ago, followed by the "Aller," "New England," "Celtic," "Kaiserin," "Grosz," "Kurland," "Arabia," and now the "Laconia."

The "Laconia," new this year, was built by the Cunarders for safety, comfort and moderate speed, insuring arrivals that give ample time for sight-seeing in port at all points on the itinerary which Clark's many successful cruises have shown gives the most pleasure; information and satisfaction that can be included in a 71 day trip.

In order to relieve the situation, the Canadian Pacific Railway has decided to run a harvesters' excursion, Monday, Oct. 14, to Winnipeg. Return fare from Winnipeg, \$15.

Full particulars from any C. P. R. agent, or write M. G. Murphy, district passenger agent, Toronto.

## ULSTER'S BLOW TO DEMOCRACY

Failure to Recognize Majority Rule, Breeder of Lawlessness, Declares Premier Asquith.

LADYBANK, Fifehire, Scotland, Oct. 6.—(Can. Press).—The British Government will not bow to such threats as the Unionist leaders are making in Ulster, declared Premier Asquith today in speaking on home rule. They had, he said, raised the spirit of lawlessness, but they must not imagine that they could confuse their doctrine to a case which happened to be the hand of the law. He continued: "If what four-fifths of the Irish people demand is not granted, and if Irishmen see their long-cherished aspirations frustrated they may turn and say: 'We will take the law into our own hands.' No body of responsible politicians has ever struck a more deadly blow at the foundations of democratic government."

## More Men Required to Harvest Western Canada Crops—\$10.00 to Winnipeg, Oct. 14th.

On account of the urgent appeal from the west for additional farm laborers, the Grand Trunk Railway have decided to run another excursion on Monday, Oct. 14, from all stations in Canada, \$10.00 to Winnipeg via Chicago and Duluth, plus half-cent mile from Winnipeg to destination, but not beyond Macleod, Calgary or Edmonton. Returning half-cent mile to Winnipeg, plus \$18.00 to destination in eastern Canada. The farmers along the Grand Trunk Pacific pay the maximum wages and this is an excellent chance for young men to visit the west. The route via Chicago is an attractive one, as many large cities and towns are passed en route, which breaks the monotony of the journey, as there is something new to see at the time. The Grand Trunk Pacific Railway is the shortest and quickest route between Winnipeg-Saskatoon-Edmonton.

Ask nearest Grand Trunk agent for full particulars, tickets, etc. Toronto City Office, northwest corner King and Yonge streets. Phone Main 4208.



## The Biggest Burroughs

Hardly a month passes that this company does not produce something new that makes adding machines do more than they have ever done before; that shortens accounting work, increases office efficiency, all at a price that can be saved in the course of a year.

If you have not seen the new 17-Bank Burroughs, you have not seen the very latest thing in the way of adding machine development in size. This is the machine that the United States Census Department used in handling its big figures.

Burroughs Adding Machine Co.  
D.W. SAGE, Sales Manager  
16 BAY STREET, TORONTO, ONT.

## You May Depend Upon EDDY'S MATCHES

BECAUSE they are Safe, Sure, and Silent.  
Light easily at first stroke, burn steadily and evenly, without the head dropping off.

COUNT THEM FOR QUANTITY EXAMINE THEM FOR QUALITY

## J. DUFFY WINS WARD MARATHON

J. Dellow of St. Mary's, Ont., is Second, and A. Scholes Third—Mix-Up in Bicycle Event.

That wide expansive smile which adorns the countenance of ex-controller J. J. Ward at least once a year, again did its work on Saturday afternoon. Any evil about to be hatched by the elements was dissipated by this same grin, when the seventh annual Ward Marathon and other races were held here this afternoon. The sun was strong and probably a little too warm for the long runs. The weather, however, was ideal from a spectator's point of view, so much so that six thousand enthusiasts turned out.

The 4th Highlanders' Band rendered some great rag time in their own famous way. The result was that there was something doing all time and interest did not lag for an instant. The crowd did not gather until late, but when they did come the cheers were unbounded. Thirty-six runners were in the line, out of an entry list of 53. J. W. Geddes, the 14-year-old athlete who ran in the race in 1909, 1910, under the three-hour limit, carried the Union Jack and received a great hand from the many boys on the line. The boys on the line encouraged them to great efforts. Controller Foster started the race, as Mayor Ward had not yet arrived.

The men broke away at 2.15. The first track mile was done in the time of 12.15 as they passed out of the gate the order was: W. White, Verdon A. C.; Jack Taylor, Humber Bay A. C.; R. Francis. The others were bunched.

The 10-mile bicycle race was called off because McGillivray was disqualified by the C. A. A. U. on the ground of professionalism. The Canadian Wheelmen's Association refused to allow the other members to race unless he was allowed to compete. The race had to be called off. It was really a clash between the two associations. J. J. Ward has been very instrumental in the success of both of these unions lately.

The runners soon spread out, and at Mimico Creek Jim Corkery was in the lead, running nicely. He was closely followed by his team mate, Jim Corkery, who was the first to enter the track on the return journey. He was closely followed by J. Dellow, who made a strong bid for first place. His time was 1.14.45 which is about three minutes behind the record.

Art Scholtes finished third in good condition, but fully five minutes behind the leaders. P. Wyer was fourth and C. Wilkinson fifth.

Summary.  
The following is the finish of the J. J. Ward Marathon race:  
Jas. Duffy, Eton A. C. 1.54.15  
Jas. Dellow, St. Mary's 1.54.49  
Arthur Scholtes, Gladstone A. C. 2.02.32  
P. Wyer, Vermont A. C. 2.08.18  
C. Wilkinson, Vermont 2.07.02  
Eddie Coker, P. O. Hamilton 2.08.38  
W. Murray, Central Y.M.C.A. 2.08.05  
D. Sheridan, Vermont 2.10.24  
A. Hamilton, unattached 2.16.47  
H. Wyer, Vermont 2.16.10  
W. White, Vermont 2.21.20  
J. Burke, unattached 2.24.05  
T. L. Wilkinson 2.24.45  
C. T. K. Smith, Builders' A. C. 2.27.11  
K. Kerr, unattached 2.28.25  
P. Murphy, Vermont 2.31.01  
S. J. Hilliard, Vermont 2.32.35  
O. Ferguson, Rhode Ave. B.C. 2.32.35  
S. W. Francis, unattached 2.32.52  
Beattie, unattached 2.42.36  
R. Wilson, unattached 2.44.30  
A. Dunn, unattached 2.46.15  
J. H. Lawrence, Y.M.C.A. 2.46.15  
J. Wall, St. Mary's 2.46.15  
W. Temura was disqualified for riding on street car.

Public and separate school boys, half-mile, under 12 years: 1. Norman Albert, St. Mary's; 2. Cyril Kelly, St. Anne; 3. Wm. Madden, St. Mary's; 4. Gerald Stacey, Howard, Time 2.37.14.  
Public and separate school boys, half-mile, under 14: 1. Eadene, Cup-I, Andrew Fraser, Devon St. School; 2. Campbell Robertson, Borden St. School; 3. Jas. McKay, St. Mary's, Time 3.23.23.  
Public and separate school boys, half-mile, under 15: 1. Eadene, Cup-I, Andrew Fraser, Holy Family School; 2. H. Miles, St. Mary's; 3. Elwyn Bryant, Parkdale, Time 3.45.45.  
Public and separate school boys, half-mile, under 16: 1. Schreier, Cup-I, David Christie, St. Mary's; 2. Roy Segal, White-chester St. School; 3. Fred McGrath, Alexander Muir School; 4. F. Williams, Church St. School. In this race David Christie was protested. He is a special messenger boy and does not attend school. Time 2.18.  
Ten-mile bicycle championship race: 1. W. Andrews, T.B.C.A.; 2. F. Brown, T.B.C.A.; 3. W. Spencer, T.B.C.A. Time 2.44.  
College and Technical race, one mile: 1. Dineen, Cup-I, Abbie Wood, University School; 2. J. Coles, Technical H.S.; 3. C. Mackenzie, Jarvis C.T. Time 5.09.34.  
Two-mile walk, handicap: 1. G. Goulding, C.Y.M.C.A.; 2. P. McDonald, C.Y.M.C.A.; 3. E. C. Freeman, C.Y.M.C.A. Time 14.01.  
Public and separate school boys, under 12: 1. Eadene, Cup-I, Harry McKay, Huron St. School; 2. Francis Skain, St. Mary's; 3. J. Coles, Technical H.S.; 4. J. Coles, St. School, Time 3.05.  
Quarter-mile, open: 1. G. H. McDonald, T.B.C.A.; 2. J. Tressler, C.Y.M.C.A.; 3. H. Phillips, W.E.Y.M.C.A. Time 46.46.  
Whippet race: 1. Oakley Flanagan (H. Parlane); 2. Canny (Naylor); 3. Country Girl (Munson). Time 23.44.  
Ward Marathon Aftermath.  
Jas. L. Hughes was missed at the quarter on Saturday evening.  
Murdoch Macdonald, the old-time athlete, presided at the Ward dinner.  
Corkery was the Marathon favorite at the start, but his club-mate, Duffy, was too strong for him, and he was left by the wayside.  
Walter Andrews, champion of Canada, spoke highly of the Ward Marathon dinner.  
J. W. Geddes, W. J. Ryan, Joseph Landreth, S. H. Armstrong, F. H. Huxley and Mr. Wyer all spoke at the banquet.  
Out of forty starters, twenty-five came back from the nineteen miles and the rest were dropped.  
Tom Eck, the famous old athlete, praised Mr. J. J. Ward for his splendid effort and success in furthering amateur sports in Canada.  
The road judges had a great deal of trouble going around the loops. The race was very rough.  
The depressing of railway tracks at Dufferin street, the new bridge at Summer side, and a change in the loop, will be the work of the course of all railway races.

Geo. Goulding, the world's walking champion, gave a splendid exhibition of speed at the finish of two-mile walk. It was the seventh Ward Marathon. The march past of the athletes was an inspiring sight, led by the 4th. The band, which was in a grand way for Arthur Scholtes. He is the son of late Tom Scholtes, a former champion. John F. Scholtes is his uncle, and Lou and Jack Scholtes are cousins.

## JOHN C. CONTIN

OF LADY A.

MILLIN

Suit and

Makin

JOHN C.

ENTER T

Contin

There are

added to the

list of reward

ermans' idea

tail at \$2.50

prizes this m

rewards that

ners. Still m

and announce

Many thous

## JOHN C. CONTIN

OF LADY A.

MILLIN

Suit and

Makin

JOHN C.

ENTER T

Contin

There are

added to the

list of reward

ermans' idea

tail at \$2.50

prizes this m

rewards that

ners. Still m

and announce

Many thous