

### UNFAIR DISCRIMINATION ALLEGED BY G. T. R. CHAIRMAN.

Chairman Smithers, presiding at the annual meeting of the Grand Trunk shareholders held in London on Thursday last, expressed deep disappointment at the very unsatisfactory report which, he said, arose from causes entirely beyond the management's control. The increase in rates, when granted, was totally inadequate and far too late to meet the new conditions. He proceeded to criticize the Drayton report, describing it as extraordinary and confiscatory.

"An abominable shame," exclaimed one shareholder, when the chairman indicated the amount of Government assistance rendered other railways, compared with the assistance given the Grand Trunk. "There are only two ways to deal with the situation," said Mr. Smithers. "Either treat us as British and American railways have been treated by their governments, or purchase us outright. We don't ask for this, but if it is consistent with public opinion, then we ask a fair price. We have not arrived at any understanding with the Government, but no board can consider such propositions as suggested in the Drayton report." (Cheers).

"We can no more look for justice from the Canadian Government than a Canadian soldier could look for mercy from a German," declared an elderly shareholder. There were more modified expressions from others. "They have brought our investments to nothing but gambling counters," was another comment.

Sir Robert Perks moved a resolution, which was adopted, protesting at unjust treatment and approving the steps taken by the board.

One shareholder, amidst a certain amount of dissent, opined the directors should have a directly Canadian representation.

The chairman said the company in sixty-five years had never defaulted in the fixed charges and maintained its standing in the London market, as shown by the manner it had raised money during the war. During this period the total assistance received from the Canadian Government had been five and a half million pounds, whereas the Canadian Pacific, in thirty-five years, had received sixty-nine millions, the Canadian Northern, in fifteen years, fifty-nine millions, and Grand Trunk Pacific, twenty-two millions in fifteen years.

Discussing the Grand Trunk Pacific, the chairman asked if it was conceivable, had they been told that instead of occupying new territory and developing its resources, they would be met with the construction of a new subsidized railway by the Government, they would ever have embarked on the Pacific project. To-day they found the Government, having assisted the Canadian Northern build several thousand miles of lines, and having by so doing rendered it impossible for the Grand Trunk to carry out the Pacific obligation, has now taken over the Canadian Northern, with all its liabilities, and is actually arbitrating that a price be paid for the common stock. During the last twenty years Canadian writers and statesmen had been justly eloquent on Canada's future, but to estimate on the lines of the Drayton report would be sure and simple confiscation. "We all know how splendidly Canada has come forward to aid the Motherland," concluded Mr. Smithers, "and it is revolting to one's feelings to do anything that would cause difficulty or embarrassment. Still, it is our duty to fight for fair and just treatment. We have asked the Canadian Government to assist us along the same lines as the British and American governments, but there appears to be a demand by a portion of the Canadian public for purchase outright. We do not ask to be brought out, but if this is the easiest path, then the price must be settled on a fair estimate of future value. I do not believe a government which has so nobly guided their people to the help of the Motherland, nor the people who so nobly responded, will allow a policy of confiscation towards an investor who subscribed because of his belief on the future and entire faith in Canada's credit."

### CANADIAN NEWSPRINT DOES NOT GO TO ANTI-ALLIES.

#### Canadian Manufacturers Reply to American Newspaper Publishers.

##### EXPORTS LICENSED.

The Canadian newsprint paper manufacturers deny the charge made by the American Newspaper Publishers' Association that some of the newsprint exported from Canada is sent to unfriendly alien newspapers. They point out that all newsprint exports from this country are made under licenses issued by the War Trade Board of Canada, and say that that is sufficient guarantee that no Canadian newsprint is used in the manner indicated. The shortage in newsprint, the manufacturers charge, is due to ill-advised efforts of the publishers to get their paper too cheap, which, they say, have driven a number of American mills out of the newsprint business and have kept the Canadian end of the industry from being further developed.

The manufacturers, at a meeting held at the Ritz-Carlton last week, adopted the following reply to the memorial sent to the Dominion Government by the American Newspaper Publishers' Association, and sent a copy of it to Sir Robert Borden:

"The newsprint section of the Canadian Pulp and Paper Association, comprising the principal manufacturers of newsprint in Canada, notes with astonishment a resolution purporting to have been passed by the American Newspaper Publishers' Association, at their annual convention in New York, to the effect that a substantial percentage of present exports of newsprint paper from Canada and the United States is going to newspapers unsympathetic with the interests of the Allies, and demanding that the War Trade Board of Canada prohibit exports of newsprint paper from this country to other than Allied countries.

"The manufacturers refrain from commenting upon the unusual circumstance of an organization of business men in a foreign country undertaking to control through the Government of Canada any part of the export trade of this country, but would point out that so far as the export of Canadian newsprint is concerned, it is all done under licenses, issued by the War Board of Canada, which is a sufficient guarantee that none of these exports are sent to unfriendly alien countries.

"The shortage in the supply of newsprint paper, about which the American Newspaper Publishers' Association is justly concerned, is due in a large measure, to the ill-advised attempts of the newspaper publishers to obtain their supplies of newsprint paper at a price inconsistent with the cost of its production. These attempts have led to prolonged Government investigations in both the United States and Canada. In the United States some of the mills formerly devoted to the production of newsprint have found it more expedient and more profitable, as a result of this interference, to divert their mills to other uses. In Canada, where the industry has been under investigation for over a year, the result has been to imperil our foreign market; to undermine confidence in the future of the industry to the extent of rendering it inexpedient to invest new capital in its expansion and development; to provoke unrest and dissatisfaction among the labor employed in the industry, and generally to exercise a demoralizing effect upon the industry and to contribute to the difficulties and uncertainties with which newsprint manufacturers, in common with others, are confronted as a result of war-time conditions. Its ultimate effect, if persisted in, must be one of serious and lasting injury to the industry, of financial loss to those engaged in carrying it on, as well as of national economic detriment.

"Attempts to fix an arbitrary price for newsprint paper have had the effect that such attempts usually meet with, that of restricting production. Had the Canadian manufacturers of newsprint paper been left free to develop their business unmolested, in the same way that other Canadian industries have been left free, the industry would have made much mills would have been installed and the production greater progress in the last eighteen months. New increased to such an extent that the present complaints of a serious shortage would have been in large part, if not altogether, rendered unnecessary."

### BRITISH ARMY COSTS \$2,900,000,000 A YEAR.

#### Annual Pay Amounts to Over \$600,000,000.

The report of the Comptroller and Auditor General on the army appropriation account for 1916-17 just published shows that the net expenditure was £587,796,567, or £629,863,458 gross. Pay accounted for £144,916,272 gross, or £122,486,423 net, and supplies and clothing cost £265,241,358 gross, or £251,788,423 net. In connection with the employment of experts on War Office contract work, the necessity for the formulation of definite agreements and for providing for the event of their termination before the expected time is urged.

Losses of stores and cash sustained through the fall of Kut-el-Amara have been written off to the approximate value of £99,048 and £37,718, respectively. The former sum represents the known value of stores lost, exclusive of certain stores of which no accounts are rendered on field service. The total cash losses amount to about £76,000, and the balance will be charged in later accounts. An investigation into uncleared balances by a board of two Treasury representatives has been completed after dealing with 6,025 accounts, covering transactions amounting to £615,527. The board has authorized as charges against normal vote subheads £416,758, and against balances irrecoverable £93,333, and have called for further departmental action on cases to a total of £62,091.

The board states that officers dealing with army funds have generally not derived any personal pecuniary advantage from their financial irregularities. The accounting failure is ascribed to the exigencies of military service, to inability of pay offices to deal with accounts promptly, to some extravagance on the part of inexperienced officers, but primarily to the general failure of company and other officers to keep and render proper accounts, largely owing to the complexity of army regulations and accounting, and to lack of accounting experience among officers of the territorial force and new armies.

The board expresses the view that the whole system of army pay, allowances, etc., requires simplification, and as an outcome of this the Treasury has pressed the War Office to consent to the appointment of a small committee to consider the whole question of accounting in the army pay offices. The matter is still the subject of correspondence between the departments.

With regard to the profits made by the army canteens from purchases made out of the 5½d. cash allowance for rations, £40,000 was received from the Army Canteen Committee in July last on account of profits for the March quarter, 1917. Further credits have been suspended pending a reconsideration of the principles involved in the allocation of these profits to public funds.

Hutting for troops cost over £3,500,000 during the year. Notwithstanding the existence of two recognized official sources of supply of timber, Government departments on certain occasions have still purchased considerable supplies in the open market, and also in some cases allowed their contractors to purchase timber for Government work in the same way. It can hardly be doubted that the resultant competition for stock led to enhanced cost (says the Auditor General).

At one supply depot the deficiency of meat amounted to 93,619 pounds, valued at £2,828. It was stated to have accrued during less than six months at an average of 650 pounds a day, and was apparently facilitated by the fact that the depot accounts were allowed to fall several months in arrears. The Courts of Inquiry found that the deficiency could not have occurred had a careful check been kept daily on the stock, and that the absence of essential stock records made it impossible for the officer in charge to ascertain what stock of meat he should have.

Following the conviction of a viewer in connection with frauds at the Royal Army Clothing Department, War Office papers showed that, owing to abnormal pressure and congestion during the earlier period of the war and the necessity for accelerating issues, stocktaking was suspended, and in one sub-section there was temporary cessation of detailed counting of goods received by the storekeeping branch. It has since been found possible to reintroduce regular stocktaking and establish a somewhat closer check between the inspection and storekeeping branches.

Incendiarism at Alexandria base ordnance depot resulted in damage amounting to £8,891. As a supply reserve depot stores lost by incendiarism were valued at £28,789.

### CANADIAN PACIFIC RAILWAY

#### Change in Train Schedules

Was made

SUNDAY, APRIL 28TH, 1918.

For particulars apply to Ticket Agents.