

THE RAILROADS SUFFERED FROM PROFITEERING

Investigator Declares That Unnecessary Prices for Coal and Equipment Cost Roads \$600,000,000

WILL COST ANOTHER BILLION

Next Three Years Unless Government Steps in and Regulates Prices.

F. W. WILE.

Copyright, 1920, by Public Ledger Co. Washington, June 12.—Next to wage increases, the elevated class and persons of fixed incomes the railroads in the country have suffered most from profiteering, according to W. Jeff Leuk, former secretary of the War Labor Board, and now employed by the railroad labor organizations as a consulting economist.

In a supplemental report of his various findings upon the subject of profiteering submitted to the railroad labor board, Mr. Leuk estimates that profiteering in steel and steel products, coal, oil and railroad equipment within the past three years has cost the transportation systems of the country at least \$600,000,000. A billion dollars more, he says, will be taken from the roads in excessive profits during 1920, 1921 and 1922 unless the army of profiteering in unregulated American industry is checked.

The Leuk report fixes 12 per cent as the profiteering tribute which the railroads have paid to the producers of steel, coal and oil and the manufacturers of cars and locomotives. "In the three years of 1917, 1918 and 1919," says the report, "the railroads of the country bought 461,113,825 tons of coal at a total cost of \$1,225,610,793. The companies from which this coal was purchased made an average profit of 62.6 cents per ton or \$37,178,652, after paying all taxes and other charges. A survey previously made shows the average net profit of coal companies for the three years to have been 21 cents per ton which would have netted them \$94,733,926 in profits on this tonnage. The amount of profiteering in coal, therefore, is ascertained by deducting the normal profit from that actually taken, which adds an excess profit of \$34,445,726 in the railroad coal bill alone.

"During the three years mentioned the railroads bought 4,608,213 tons of rails at an average price of \$45.19 per ton, on which the steel companies netted at least \$11 per ton. For many years before the war steel rails sold for \$25, on which manufacturers realized about \$4.69 per ton, the excess profits on steel rails for three years amount to approximately \$30,000,000. Explaining his prediction that profiteering will cost the railroads \$1,000,000,000 in the next three years if present prices for railroad supplies are maintained, Mr. Leuk says: "A very exhaustive analysis of the amount needed for the rehabilitation of the railroads during the coming three years has been made by experts for the railway age. It is estimated that in all \$6,000,000,000 should be spent for new equipment, extensions, additional lines, grade, revisions, buildings, and so forth. About one-half of this amount will go to purchase cars and locomotives. Of the remaining \$3,000,000,000, it may be assumed that at least 50 per cent will be paid for materials, making a total of \$4,500,000,000 of capital expenditure for commodities. Assuming that operating expenses remain the same as in 1918, another \$4,500,000,000 will be expended for materials and supplies, a grand total of \$9,000,000,000. And assuming that the ratio of profits is increased, nothing over \$1,000,000,000 will be an excess profit during the years 1920, 1921 and 1922. This huge sum, with, of course, in an addition to the investment in railroad property, on which the public will have to pay 5 1/2 per cent forever.

SHAKE-UP EXPECTED IN MILITIA HEADQUARTERS

Likely to Follow When Sir Arthur Currie Assumes New Duties at McGill August 1st

Ottawa, June 12.—(Canadian Press)—Although no definite announcement has yet been made, it seems likely there will be a shake-up among the heads of branches at Militia Headquarters following the departure of General Sir Arthur Currie, who assumes his new duties at McGill University, on August 1. It is expected that Major General Sir Willoughby Gwatkin will shortly go to the Air Board, and the two posts of inspector-general and major general of the general staff will consequently be vacant. The feeling appears to be that the Department will revert to the old order of things which prevailed prior to the war. The position of inspector-general, which occupied by General Currie has previously not been attached to that post, but which was considered appropriate in view of the position held by General Currie overseas. Following his retirement, it seems likely that the appointment of inspector-general will not carry with it all of these duties, although it will probably be continued.

The post of Chief of the General Staff will probably be re-established and Major General MacBrien appointed to it. It is understood that the appointment of Major General of the General Staff will be discontinued.

Public Utilities Hearing Continued

Time on Saturday Morning Principally Taken up in Cross Examination of Mr. Midram—Hearing Adjourned Until Next Friday.

The hearing in the application of the New Brunswick Telephone Company for increased rates was continued Saturday morning, the time being principally taken up by Mr. Weyman, who cross-examined Mr. Midram, the report submitted by him and the recommendations contained in it. Before taking up the examination of the witness, Chairman Connell referred to the matter of charges for municipal phones and the different rates charged. It was decided, however, not to proceed any further along those lines at this hearing.

Mr. Midram suggested that while the commission was considering the matter they might fix a standard amount of guarantee which should be made by stations on toll lines, of which there were 204 in the province. At present the guarantee ranged from \$80 to \$45 per year. He thought \$42 would be a fair amount for everyone. Mr. Weyman, who appeared for the Wholesale Grocers' Guild, then took up his cross-examination of Mr. Midram, dealing more particularly with the rate which it was proposed to charge for measured service as it applied to private exchange and inter-communicating system users. He rather intimated that his clients were willing to pay a higher price on a straight unlimited contract than they might be called on to pay if the service were measured, for the sake of knowing just what it would cost them. Mr. Midram claimed this would be the smaller business, as they would have to pay more than their proportion of the increased revenue.

Adjournment was made until Friday, June 18, at 10:30 a. m.

London, June 11.—Major General Sir Louis Bols, administrator of Palestine, and Brig. General Ronald Storr, British Military Commander in Jerusalem, have resigned their posts, according to the selection of Herbert Samuel to British High Commissioner for Palestine under the British mandate, according to dispatches to the Jewish Correspondence Bureau. An unconfirmed report states also that General Allenby has resigned in protest against the selection.

FINANCES OF THE WORLD ARE IN A CRITICAL STATE

(Continued from Page 1) Not Due to Shortage.

There is another equally erroneous explanation current; that the high price of any particular commodity is mainly due to its shortage. The error of this view can be proved by noting that articles of which the supply is fixed such as old books, pictures, jewels and the like, have appreciated in nearly the same ratio as ordinary commodities of annual production. It will be found also that those articles of which the production, through war causes, has diminished the most, have not risen disproportionately when compared with articles whose production during the war has been more widely curtailed. Several of your American economists draw a picture (of particular attention to this fact, and it is instructive in that it invalidates the current explanation that shortage of production is the main cause of high prices. "It is said that poets learn in suffering what they tell in song. As to currency, what is not learned in suffering, is not learned at all. Suffering seems to be the only path to knowledge. Europe is learning a great deal now.

England's Position Strong.

"I consider the financial position in England very strong indeed in view of the enormous burden of the war and the immense effort England made. Compared with that of other European belligerents, English war finance was notable in its endeavor to meet the largest possible percentage out of revenue. Since the war, we have done better still; and now we are getting back on firm ground. "Expenditure is still excessive, now it is brought down and the resulting economy applied to a sinking fund, we shall be in a very strong financial position. "You ask me regarding the influence of the excess profits tax on the cost of living. I do not find much direct relation. The cost of living is mainly determined by the currency factor, and not by either the excess profits tax or by rises in wages, since the real remuneration of labor in commodities, in bread, meat and other necessities of life, is not now greater than it was in 1914. What is alarming is the fact that these rises in wages are purely empirical and not principled. Further, they are not subject to alteration, either upwards or downwards, in parallel with the rise or fall of the cost of living. "Rough justice may have been done for the moment, but the basis on which it is done is purely temporary and momentary—and the whole settlement will require revision in one direction or the other directly a change occurs in the emergency situation and in the level of the standard of value."

Johnny Wilson Fights Ratner

Middleweight Champion Will Box Augie Ratner at Philadelphia Tonight—Will Receive Gold Belt.

New York, June 12.—Johnny Wilson, the middleweight champion, is now making his home in Boston, but formerly of New York, will be presented with a gold belt by his Italian-American friends when he enters the ring on Monday night for his eight-round bout with Augie Ratner of this city at the opening boxing show to be staged by Battling Lewinsky at the Philadelphia Baseball Park. The Italians of Philadelphia are all worked over Wilson and several clubs of worth have already bought over \$2,500 worth of tickets to see Wilson in action.

Dublin, June 11.—Constable Carroll was shot dead today by a party of armed men in Limerick. He was the fifth police victim since January 21st. A small train was held up near Killarney and the mail bags seized.

LATE SHIPPING INTELLIGENCE

Vessels in Port and Where They Are Loaded.

Canadian Warrior—Long Wharf, W. Chalmers—Pettigill Wharf. PORT OF ST. JOHN, N. B. Monday, June 14, 1920. Arrived Saturday.

Coastwise—Sir Connors Bros. 64, Wapack, Chances Harbor; scow Ethel, 22, Dewey, Beaver Harbor; gas scow Walter C. 12, Belding, Chances Harbor; str Kamouraska, 2879, Morgan, Louisbourg, Cal. Cleared Saturday.

Coastwise—Str Glenholm, 105, Sionkhora, Spencer Island; gas scow Arthur M. 97, Hatfield, Alma; gas scow Gertrude B. 84, Perry, Frederic; N. 21, gas scow Ethel, 22, Dewey, Beaver Harbor; gas scow Walter C. 12, Belding, Chances Harbor.

Four-masted schooner Missequoie sailed from Norfolk, Va., June 12, for this port to load deals for United Kingdom. She is consigned to J. T. Knight & Co.

Canadian Ports. Halifax, N. S., June 11—Arr. str W. M. Tupper, Boston; Lake Ellsabeth, Santiago.

Sailed—Strs Chaudiere, West Indies; Lake Ellsabeth, Glasgow. Montreal, June 11—Arr. Cairrvalone, Leith.

Sailed—Cape Corso, St Nazaire, France; Pictou, Havre; Halartus, Buenos Ayres.

British Ports. Portland, Eng.—Arr. June 18, str Trunfels, St. John. London, June 11—Arr. Tunisian (Br), Montreal, via Havre; Hull, June 12—Arr. Mendip Range (Br), Montreal.

Southampton, June 10—Arr. St. Paul, New York. Liverpool, June 10—Said, str Baltic, from Liverpool, New York.

Kingale, June 11—Passed, str Fort Smith, Boston via Quebec, 11 a. m. Auckland, June 9—Said, str Makura (Br), from Sydney, N. S. W.

LABOR MEN WILL DISCUSS IRELAND

Montreal, June 11.—Despite the fact that the convention of the American Federation of Labor is being held on British soil Matthew Wall, Vice-president of the Federation, declared tonight that the Irish resolution will be discussed in the emergency situation of political matters in the United States. There is no reason why the Irish question should not be discussed.

James Simpson, of Toronto, of the Canadian Trades and Labor Congress, said today that if the Federation wants to discuss Ireland, that is their privilege.

Frank P. Walsh, one of the leaders in the Irish Republican movement, is expected to address the convention when the Irish resolution is brought up next week.

POLES CONTINUING THEIR SUCCESSSES

Warsaw, June 11.—(By the Associated Press).—The great battle which began on May 14, was crowned, yesterday, with a great success for the Poles, according to Polish official communications. The Bolsheviks, says the statement, had concentrated nine divisions of infantry in this sector and tried to break through beyond the Beresina, taking six hundred prisoners and capturing numerous machine guns. In the Gorovol region, at the junction of the Beresina and the Dnieper, Polish detachments made a daring dash and destroyed 50 boats of the Bolsheviks had prepared for a crossing of the river.

FOUR SUICIDES ON ARMY TRANSPORT

Washington, June 11.—Four persons on board the Army transport Mount Vernon committed suicide after one of the ship's propellers broke off the Virginia Coast, according to a radio despatch here today. Their names or the circumstances were not given. The transport has aboard 3,000 Czechoslovak troops, who are being taken to their native land from Siberia, 400 German war prisoners, under a United States Army guard, and 250 women and children. She is heading for Norfolk and is due there tomorrow.

The Legion later explained that the long and monotonous voyage from Vladivostok had greatly lowered the morale of the returning troops, and that the Red Cross, Y. M. C. A. and Y. W. C. A. had been asked to do all they could to cheer up those aboard when the vessel reached Norfolk. The Legion is accompanying the disabled ship.

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ALFRED SHRUBB SAILS FOR ENGLAND

Montreal, June 12.—Alfred Shrubbs, the long distance runner, sailed for England Saturday on board the steamship Canada. He announced before sailing that he was to train the Oxford team for its races with the Princeton University team. After their contests, Shrubbs had to be expected to handle the South African Olympic team.

TIME TABLE The Maritime Steamship Co. Limited

Commencing June 7th, 1920, a steamer of this line leaves St. John Tuesday at 7:30 a. m. for Black's Harbor, calling at Dipper Harbor and Beaver Harbor. Leaves Black's Harbor Wednesday, two hours of high water for St. Andrews, calling at Lord's Cove, Richardson, Back Bay and L'Etete. Leaves St. Andrews Thursday, calling at St. George, L'Etete, or Back Bay and Black's Harbor. Leaves Dipper Harbor at 8 a. m. on Saturday for St. John. Freight received Mondays 7 a. m. to 5 p. m.; St. George freight up till 12 noon. Agents, the Thorne Wharf and Warehousing Co., Ltd. LEWIS CONNORS, Manager. Phone Main 2581.

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GRAND MANAN S.S. CO. DAYLIGHT TIME.

Commencing June 1st steamer leaves Grand Manan Mondays, 7:30 a. m., for St. John via Campbell and Eastport, returning leaves St. John Tuesdays, 10 a. m., for Grand Manan, via the same ports. Wednesdays leave Grand Manan 8 a. m., for St. Stephen, via intermediate ports, returning Thursdays. Fridays, leave Grand Manan 6:30 a. m., for St. John direct, returning 2:30 same day. Saturdays, leave Grand Manan, 7:30 a. m., for St. Andrews, via intermediate ports, returning 1:30 same day. GRAND MANAN S. S. CO. P. O. Box 387, St. John, N. B.

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WANTED—Two or three first class Moulders. Wages right. Must have references. Apply to Dunbar Engine & Foundry Co., Woodstock, N. B.

WANTED—Second Class Female Teacher. Apply stating salary to J. M. Jeffery, secretary of Trustees, Bagdall School District No. 8, Parish of Johnston, County of Queens, N. B.

WANTED—A First-Class Teacher for Grades 3 and 4. St. George School, James O'Brien, Secy. Board of School; Trustees, St. George, N. B.

WANTED—Traveler on commission, calling on the furniture trade for N. S., N. B. and P. E. I., by an Ontario firm manufacturing a line of Library Tables and Novelties. Give references and full information. Apply Box N. S., care Standard.

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ONTARIO MARKETS Montreal, June 13.—Oats, Canadian... No. 2—131 1/2. No. 3—131 1/2. Canadian Western, No. 2—... No. 3—131 1/2. Man. feed—102 1/2. Corn—81 1/2. No. 1 stock—84. No. 2 stock—48 to 60. Hogs, Abattoir killed—29.50. Lard, wood pulp, 20 the net—28 to 29.

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