

The Standard



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SIDELIGHTS ON THE DREDGING BUSINESS.

Among the many and varied subjects offered for the edification of readers of the editorial columns of the *Telegraph* and the *Times*, there is one which never receives the treatment it deserves—the subject of dredging. Yet it is well known that the amount of inside information which these journals could impart on this particular subject would be both interesting and instructive. Yesterday, however, the *Times*, while apparently laboring under some strong emotion, engendered by the well-intentioned observations of the *Standard* on the intimate relationship between patronage, graft and mud, briefly reverts to this delicate subject.

"Speaking of dredgers," remarks the organ of the mud diggers, darkly, "it is said that in the course of their operations they sometimes stir up very strange and uncouth creatures, which prefer darkness to light." Whether Mr. Hazen, Mr. Foster, Mr. Borden, Mr. Monk, The *Standard* or the *Times* itself are included in this category is not clear, all are mentioned in the *Times*' article. The reference may be a trifle obscure, but we cordially agree with the *Times* that in the dredging business there are some weird experiences.

Take for instance the happenings in that memorable year 1908. During the first six months the *Telegraph* and the *Times* were hot foot on the trail of Mr. Pugsley. The opinions these journals then expressed about their present patron are entirely unfit for publication in their columns today. Their sentiments, in fact, coincided with those which The *Standard* has always entertained on the same subject, only, if possible more so.

Then a strange thing happened. A concern now known far and wide as the Maritime Dredging Company, of which Mr. John E. Moore was president, and Mr. George McAvity a director, came into existence and bought a dredge on the St. Lawrence. About the same time Mr. Pugsley, the Minister of Public Works, received information, and very strong pressure was applied, that some dredging was urgently needed at Gaspeaux River near Port Elgin. It is true that for years the people in that locality had been impatiently waiting for some work to be done and not a Government dredge could be spared to come to their assistance, but, by a curious coincidence, just as the dredge was starting for the Maritime Provinces the case became desperate.

Mr. Pugsley lost no time in approaching The Maritime Dredging Company, and Mr. Moore and Mr. McAvity considerably agreed to stop the dredge at Port Elgin and start on the work pending a call for tenders, and the call for tenders, the price of the lowest accepted tender. This was in August 1908, and the work went merrily on until October 29. In the meantime tenders were called for. No one tendered, of course, except the Maritime Dredging Company, which made a modest offer of 90 cents a yard, and, notwithstanding the fact that the engineers of the department had in the previous year estimated the cost of this work at from 15 to 20 cents a yard, the offer was accepted. Incidentally, the order-in-council authorizing the work was passed one month after the dredging, as far as the company was concerned, was completed.

Coincident with this transaction in a far corner of New Brunswick, strange things were happening to the *Telegraph* and *Times*. The virtues of Mr. Pugsley were daily becoming more apparent, and his political shortcomings were fading away into the background. Gradually it began to dawn upon these free and independent journals that they had entirely misjudged his character and that he had been all along, in point of fact, the saviour of St. John in disguise. While the dredge was digging steadily away (at 90 cents a yard) at Gaspeaux for Mr. John E. Moore and Mr. George McAvity, these gentlemen bought the *Telegraph* and *Times*, lock, stock and barrel, editors, type and machinery, henceforth to fight Mr. Pugsley's battles.

The turnover of these "strange and uncouth creatures, which prefer darkness to light," was complete. Freaks in the field of journalism, owing allegiance to none but the highest bidder, their adherence to the political faith of Mr. Pugsley is strong and steadfast—while the dredging's good.

THE CONTROL OF EXPRESS COMPANIES.

The judgment given by the Railway Commission in the case of the express companies is a far-reaching and most important one. To the companies themselves it has brought deep searching of heart, if companies possess such an inconvenient commodity, and will certainly bring a diminution of profits, which they can stand without fear of imminent collapse. To the shippers and consumers of the whole country it means great relief, and an extension of intercourse at fair and reasonable rates. And the boon will be all the greater because it will be bestowed not on the large shippers and traders alone, but upon families and individuals in their small purchases and friendly interchanges all over the country.

The judgment orders that new tariffs of charges are to be filed forthwith, which means that present rates are too high and will be reduced. It also declares that present contracts with shippers are unfair and must be replaced by reasonable instruments. The matter of mileage groupings and delivery limits is to be recast so as to avoid overlapping and over-charges. Numerous other points are covered by the judgment which is both clear and thorough. It is pleasing to note that, although there was some protest and considerable talk, the express companies have very sensibly resolved to abide by and respect the decision, without

testing its legality, of which, however, there can be little doubt.

It was doubtless not known to many, who dealt with and paid their rates to the various express companies, that these were simply annexes to the railway companies, owned by them and run in their interests, and to their great profit. And yet so it was and is. The Dominion Express is the property of the Canadian Pacific Railway, the Canadian Express of the Grand Trunk Railway, the Canadian Northern Express is run in the interest of the Canadian Northern Railway, and the Grand Trunk Pacific will have an extension of the Canadian Express on its lines as they are built. There is therefore no competition between the Express Companies and the railways as carriers. On the contrary the former are the instruments and feeders of the latter and serve to swell their earnings and increase their profits.

Some of the details set forth in the judgment are interesting. The Dominion Express Company in eight years, 1901-8, paid to the C. P. R. \$13,400,240, or 63.9 per cent, of its gross earnings, of which \$9,767,251 was for transportation and station accommodation, and \$3,641,989 net profits. In seven years ending in 1908 the Canadian Express Company paid \$6,467,307, or 55.5 per cent, of its gross revenue to the Grand Trunk Railway Company of which \$4,909,474 was for transportation and \$1,557,833 net profits. The Canadian Northern Express was not incorporated until 1902, but from that year to 1908 it paid to the Canadian Northern Railway 38.4 per cent, of its gross earnings for transportation, and 25.5 per cent, of the same in net profits.

The Dominion Express has a paid-up capital of \$24,500 though its nominal capitalization is \$2,000,000. The Canadian Express Company was incorporated in 1865 with a nominal capital of 500,000, \$275,000 of which was subscribed, but only \$27,500 paid up in cash. In 1892 the Grand Trunk paid the company \$660,000 for its paid-up stock and property, which in that year were valued at \$60,000. It would be interesting to know who were the fortunate owners of the stock. The Canadian Northern Express Company has a nominal capital of \$1,000,000, of which \$300,000 was issued, but only \$5,000 paid for in cash. The balance of \$295,000 was paid up by a stock issue. All these companies therefore have a very profitable capital stock, but one which cost the happy possessors very little cash outlay.

All of them have been really carrying on a railway business, as subsidiaries of the railway companies, but free from any control as to rates and regulations. This will now be changed. The real relations of the express and railway companies appear for the first time, and in future both will be equally subject to the control of the Dominion Railway Commission. In the matter of tariffs they will be obliged to justify their charges on the basis of capital invested and earnings made. If present earnings are found to be paying extravagant profits on the cash capital involved, the rates will have to come down. The commission has already cut the rates on Ontario fruit going to the West, and will probably have something more to say when the new schedules are presented two months hence. The express is a very convenient mechanism of distribution, and is a complicated business in some respects. Those who operate it are entitled to good profits, and those who patronize it to a square deal.

REVIVAL IN TECHNICAL EDUCATION.

Discussing the results of the tour of the Royal Commission on Technical Education, which closes next week, the London Free Press points out that two main benefits are to be expected. The first, and most important, of these is the interest which will be stirred up all over the Dominion in this important phase of education. The second is that the Government may recognize the country's needs along this line and do something to promote industrial training.

Of the first of these results, it continues, there has been evidence already. After the commission visited Nova Scotia, the evidence which was brought out led the Government to at once increase the staff of the Halifax Technical College by the addition of three new professors, and further to appoint an inspector of manual training for the province. Again, in Chatham, Ont., the Board of Trade took action at once with a view to securing evening classes and a technical school for the city. These are but two examples of the work that is being undertaken under the stimulus of the commission's work.

All over the land there is manifest an interest in technical training. Magnificent school buildings have been erected by the Quebec Provincial Government in Montreal and Quebec. Toronto is planning a technical school to cost half a million dollars, while Winnipeg is building two such schools at a cost of \$350,000 each. The new provincial universities of Alberta and Saskatchewan are planning to give special attention to technology, while the Maritime Provinces on the East and British Columbia on the West are both planning large extensions of their work along this line.

Further steps of importance will undoubtedly follow the publication of the report of the commission which should be one of the most epoch-making documents in the history of Canadian education. With the growth of manufacturing and the call from all sides for trained workmen the next few years will probably see a greater development in technical education in Canada than all the years of the past can show. Education and industry will go hand in hand.

Current Comment

(Moncton Times.)

The Hazen Government among other things, is charged with paying \$251,000 on interest account, whereas in 1907 the old Government paid out \$178,000. Of course there has been no such increase in the actual interest payments. The Hazen Government statement shows every cent paid for interest on any account, under one heading. The former Government kept a number of accounts, so that the total did not appear in any one statement. Probably the people will prefer the Hazen Government's way of showing just how things stand. If \$251,000 is required to pay interest on the province's indebtedness it is well that the people should know it.

(Owen Sound Herald.)

When we saw a report from Digby, N. S., in the *Toronto News* of the 21st inst., stating that a man had his skull crushed "in a lonely spot," we decided that the man was not only seriously injured, but also bald-headed, but when next day's *Toronto Globe* stated in its Hamilton news that a Polack was shot "in the foreign quarter," and also in its Fort William despatches that a Dago was stabbed "in the coal dock section," our ideas of anatomy became hazy, and we began to wonder if it could possibly be the grammar that was out. Will some one "put us wise?"

(Toronto Mail and Empire.)

Canada and the United States now give \$28,000,000 yearly to foreign missions. The contributions during last year were exactly a million more than those of the preceding year. It is evident then that interest in the cause is growing. An estimate of the total contributions towards the support of religion in the United States places the figure at \$320,000,000 annually. But our neighbors spend far more in pleasure, and we are similarly disposed.

MILLING OF FLOUR AND BY-PRODUCTS

General of Milling Industry Discusses With fervor Business of Wheat Grinding and Tariff Questions Relating

IMPORTANCE OF CHEAP MILL BY-PRODUCTS

(By Robert McElgin, President of the Lake of the Woods Milling Co.)

The milling industry during the year 1910 has not had the benefit of the favorable world's market conditions which were so important a factor in enabling that industry to realize phenomenal profits during the year 1909.

A Gambler's Policy. In the domestic market, as a rule, the milling companies have departed from what we might call a conservative policy in the distribution of their output, and have adopted a very radical mode of proceeding, almost in my opinion, bordering on gambling. To illustrate: A representative of one of the milling companies calls on the customer of another milling company, reduces from their list price five cents per bag, contracts with the baker or dealer for a year's supply, guaranteeing the price for that length of time and agreeing to make concessions if market prices decline. In other words, if the market advances the price is maintained, and if it recedes the price is lowered. Such a policy, I consider, almost borders on commercial suicide.

The milling capacity of the Dominion is largely on the increase. If the mills now in operation in this country were operated up to their capacity they could produce flour sufficient for the requirements of thirty millions of people. Eventually, if this increased capacity is not to the profit of the milling companies it will certainly benefit the farmer and the consumer. In this way the millers are kept purchasers of wheat from the farmer against the exporter, and the by-products are the life's blood of the great industries in the Dominion; that is to say, this means a supply of feed to maintain the great dairy industry, etc.

Importance of Milling.

Few people fully appreciate the importance of cheap mill by-products on extensive farming, and one is hardly possible without the other. Our western prairie farmers will never prosper as they might until large and small milling plants are established in their midst in close proximity to the producer of wheat, thereby putting the by-products more particularly at the service of our western farmers.

To supply the present demand, the Lake of the Woods Milling Company is freighted wheat from Saskatchewan to Keewatin, Ontario, and shipping back from Keewatin a portion of this wheat in the form of by-products to supply the western farmers.

Reciprocity with the United States. In this connection, pardon me if I mention reciprocity. While I am satisfied that reciprocity with the United States might benefit special spots in the Dominion, taking the Dominion as a whole, I am of opinion that the contrary would be the case, even if that policy were extended to natural products.

To illustrate: take wheat. The United States does not afford us a new market for our hard wheat to mill in its extensive plants in the west in order to produce a flour suitable for consumption by our best foreign customers, raising the price of our hard wheat to a consumption of which it is greatly in need. We are capturing, and will continue to capture, from the United States millers the foreign consumer of our hard wheat. This is decidedly in the best interest of the Canadian farmer.

The United States millers are our aggressive competitors in all wheat products, and in the home market, in every consuming market of the world; and let me say that they will continue to be our competitors even when they have a population of two hundred millions. They have now under wheat cultivation something over fifty millions of acres, from which the average yield is about thirteen bushels per acre. They have still large areas to be brought under wheat cultivation, and they will increase their yield to from twenty to twenty-three bushels an acre. In Great Britain the average yield per acre is thirty-one bushels. In Germany, twenty-nine; in France, twenty; in Austria, twenty; in Hungary, seventeen. As land becomes more valuable, methods of farming will continue to improve.

The United States produces natural products similar to ours in very much larger quantities than are required for home consumption. As previously stated, it is our most aggressive competitor in all foreign consuming markets. It simply amounts to this: No profit can be derived from shipping natural products to a country which has a surplus of its own. We then become hewers of wood and drawers of water for that country. Let us do our business direct with the countries that require our products for home consumption.

The Example of Germany. Let us see the value that Germany puts on by-products. They strive to encourage the milling of their wheat into flour, enabling them to secure the by-products for home consumption. A short time ago when we removed the surtax against Germany it was alleged by some millers that it would create a new market for our flour, or, at least, increase our trade with Germany in that commodity. The removal of the surtax on Canadian products will have no direct bearing in the flour and mill feed business with that country. Mill feed or by-product has always been free of duty; and on flour the present German import tariff is prohibitory, being 10.20 per 100 kilos. On the other hand, wheat is subject to only 3.50 per 100 kilos import duty. This protects the German miller to a point of exclusion of foreign flour for domestic consumption. As an article of luxury, some of the higher grades of Hungarian or American are modest.

New York, January 5.—Local professional sentiment continued to be very bearish. Room gossip



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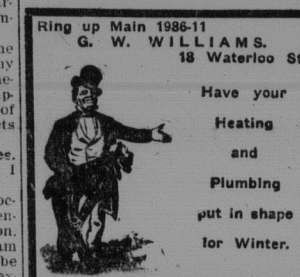
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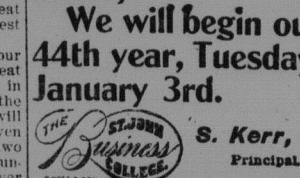
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ately used by bakers of fancy bread. In addition to the above feature, German millers enjoy the ruling of the 1906 tariff, an export premium on flour which refunds to them on a sliding scale the equivalent of the import duty on wheat, regardless of the origin of the wheat from which the flour is milled, domestic or foreign. This has within the past four years placed the German and Rhine millers on the line of aggressive exporters of flour to the neighboring free trade countries of Scandinavia, Holland, Switzerland, as well as the Mediterranean and Levant ports to which direct German steamship lines are plying.

Canada's Need.

What Canada wants is closer trade relations with the mother country, not reciprocity with the United States. Let Canada, so far as her revenue will permit, adopt the principle of free trade within the Empire. With Imperial free trade with four hundred and fifty millions of people, a large portion of whom are the greatest consumers in the world of our natural products, the Empire could not help but prosper as a whole and be knitted in the closest bonds. That surely is what we all desire, and, of course, Imperial free trade would mean tariff taxation against the rest of the world, so long at least as the rest of the world maintained hostile tariffs against any part of the Empire.

This should appeal to our people as preferable to the policy of reciprocity with the United States, which, for one thing—and it is grave—would probably divert our transportation largely north to south instead of being done as now from east to west and west to east, i.e., within our own borders.

In a word, let us keep our trade, so far as we can, under the flag of the old Union Jack and the Maple Leaf.

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By Direct Private Wires to J. C. MacKintosh and Co.

New York, January 5.—Local professional sentiment continued to be very bearish. Room gossip

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predicted a bearish ginning report and there was much talk of the heavy movement and the accumulation of stocks at the leading centers. The certificated stock at New York is now 274,056 bales against 138,821 last year. These influences in connection with a weaker technical position and an absence of bull support resulted in an early decline, averaging 5 to 8 points. It was later apparent, however, that this decline was largely the result of short selling, for when professional interest attempted to cover in the afternoon prices advanced with great ease than they had declined, the net result being an advance of about 5 points for the day. However, bearish profession all bears may feel, their experience has made them cautious about heavy commitments for the decline in the face of firm spot markets. A dearth of moisture in the southwest and confident predictions of a sharp falling off in the movement of the crop in the near future. Until, however, some of these bull predictions are verified, even the bull leaders themselves seem in no hurry to force prices higher.

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