

The News Record

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An Explanation of The details of the Grand Trunk Deal proposed purchase of the G. T. R. are not readily understood without long and careful study. The following statement is brief and clear and gives the chief facts in condensed form. It shows some bias, which readers may accept for what it is worth. The figures are correct. Of the opinion you may judge for yourself. They also, we believe, are not far wrong. The statement was prepared by a well-known Ottawa man and we give it here for the benefit of the busy but interested citizen:

Canada has in the past most stupidly and wantonly mismanaged her railway affairs. But she has done nothing which approaches the insanity of the new agreement with the Grand Trunk Railway. I beg attention to the following:

Stocks.—The company has two kinds of stocks: one upon which it pays interest—we may call it the interest stocks, the other is of the usual sort—we may call it the dividend stocks.

Interest Stocks.—The interest stocks amount altogether to \$216,207,138. The annual interest payable upon them is \$9,500,000, (the figures are approximate.) By the proposed agreement, these stocks are to remain in the hands of the present holders. And the government agrees to pay the interest in full—part at the rate of 4, and the rest at the rate of 5 per cent. per annum.

Dividend Stocks.—The amount of this class of stocks is \$180,424,325. The government proposes that these stocks are to be transferred to it, and that in substitution therefor, there shall be issued to the present holders new stocks upon which the government is to pay 4 per cent. per annum. In other words, stock—certificates that are worth absolutely nothing are to be replaced by other certificates containing Canada's guarantee to pay. When the exchange has been made, the old stocks will be automatically cancelled; for there cannot, of course, be two sets of stocks representing the same issue. Substitution of old for new does not mean the existence of both. The present stock holders therefore will continue to hold all the shares of the company. The government will have none. The amount, however, of the new stocks will not necessarily be equal to that of the old stocks. The quantity is to be fixed by arbitration.

Value.—According to the Draxton-Ackworth report, interest upon the interest stocks has been pretty regularly paid; and the average amount available, during the ten years prior to the war, for payment of dividends upon the other stock was \$3,600,000. This amount was available only because of deliberate neglect to keep the road in repair; and the report showed that more than \$2,000,000 per annum had been applied upon dividends which ought to have been applied to the upkeep of the road. There was, therefore, less than \$1,600,000 available for dividends. But that is not the whole story, for the Grand Trunk has to face a loss, in connection with the Grand Trunk Pacific, estimated by the Minister of Railways at not less than five or six million dollars per annum. And it is clear, that not only will there be no money to pay dividends, but that there will not be enough, by over \$3,000,000, to pay the interest upon the interest stocks.

Interest Stocks.—As above stated, the annual interest on the interest stocks is over \$9,500,000, and the earnings of the road will fall short of that amount by more than \$3,000,000. And yet in the face of that situation, the government proposes that it shall guarantee the payment of the whole \$9,500,000 every year to the stock—holders. The government does not even propose that there shall be any arbitration as to what amount ought to be paid. It knows that, beyond dispute, the stockholders ought not to receive their interest in full, for the earnings will not pay it. Nevertheless, the government undertakes to make full payment. The only reason offered by Mr. Meighen for the assumption of such an absurd liability is that the company insisted upon it.

Dividend Stocks.—Such reason would, of course,

be just as valid with reference to the dividend stocks as to the interest stocks. But inasmuch as these dividend stocks are too palpably worth nothing at all, and inasmuch as a demand by the company for payment of specified dividends would be ridiculously grotesque, the government agrees to submit to arbitration the fixation of value of the shares, and to pay 4 per cent. on that value. The only reason offered for that, as far as I can see, is as stated by the Minister of Railways:

"The arbitrators will, no doubt, take into consideration the fact of the Grand Trunk being the pioneer railway of Canada; and believing as I do that the people of Canada wish to deal generously with the Grand Trunk shareholders, they will not be too severe when making their award."
(Hansard, 1904).

The Minister is disposed to be very generous to the English stockholders. He completely disregards the duty of doing justice to Canadian taxpayers.

The Situation.—We thus have the most extraordinary situation: The government agrees to pay interest in full upon the interest stocks, although the amount to be derived from the earnings of the road for the payment of that interest will fall short by more than \$3,000,000 per annum. And the government agrees to arbitrate as to the value of the dividend stocks, although they have no value whatever.

Arbitration Offer.—In view of all this, it can hardly be believed that the government when proposing arbitration as to the value of the dividend stocks, actually accompanied the proposal with an offer to pay \$2,500,000 per annum, for the first three years, \$3,000,000 for the succeeding five years, and \$3,500,000 thereafter. The proposal and the offer, nevertheless, are contained in Mr. Meighen's letter to Mr. Smithers of July, 1918. The government, therefore, is going into an arbitration as to the value of stocks which they know to be of no value; and has agreed in advance that the value to be placed upon them shall not be less than the number of millions per annum just mentioned. When arranging arbitration with the Canadian Northern, the government fixed a maximum limit, and the arbitrators went, of course, to the limit—indeed a little beyond it. Now the government makes a still greater mistake. It fixes a limit below which the arbitrators will not go, but leaves the maximum to a discretion biased by Dr. Reid's recommendation of generosity toward the English shareholders.

Government Ownership.—It will be seen from the above statement that the present proposal is not for the acquisition of the road. The company retains the road; the stockholders are the company; the interest stocks remain precisely as before; the dividend stocks undergo an exchange of documents. All the stocks being thus accounted for, the government, of course, holds nothing.

The Agreement.—The nature of the agreement is therefore as follows:

1. The government is not purchasing the road, or any part of the capital stock of the road. It is not disbursing a dollar for the purpose.
2. The government, so far from acquiring the road or the stock, is taking an option to purchase the stock at the end of thirty years, and is thus deferring the possibility of government ownership until the expiry of that period. The option is the right to purchase at a tremendously exaggerated price—at an amount not less than \$150,000,000 in excess of present values.
3. Meanwhile, the government agrees to pay interest in full to the holders of the interest stock, thus making a present to those gentlemen of more than \$9,500,000 per annum. By so doing, the government raises the market value of those stocks between 30 and 40 per cent.; and makes a present to those gentlemen, if they wish to sell, of not less than \$50,000,000.

4. The government, knowing that the dividend stocks have no intrinsic value, agrees to arbitrate as to their value, and, as a preliminary, fixes a maximum value of \$2,500,000, rising to \$3,000,000, and then to \$3,500,000 per annum.
5. The government, knowing that the Grand Trunk is unable to pay its liabilities—that it is overwhelmed by bankruptcy—agrees to pay all the liabilities, and thus relieves the company from all its difficulties.

6. When a government is expropriating property—that is, taking private property which the owner does not wish to sell, the price, if not agreed to, is settled by arbitration. In the present case, there is no necessity for expropriation. The company being bankrupt, and having made default in meeting its obligations, the course which the government ought to have taken (if it desired to get possession of the road) was to make its offer, and if the offer was refused, to wait until the company was willing to accept it. If the delay was longer than the government liked, it could force the company into receivership, and purchase under judicial sale.

In conclusion, I confidently assert that no sane government ever contemplated the making of such a ridiculously absurd contract as the one now under discussion. I exclude, of course, contracts originating in pure graft.

JOHN S. EWART

GENERAL DEBILITY FOLLOWING INFLUENZA

Strength Can Only Be Regained by

Enriching the Blood
Following a wide spread epidemic of influenza, general debility is on the increase, and its effects may be noticed in the worn listless appearance of so many of the men and women you meet. Influenza always leaves behind it impaired vitality, and with the modern conditions of life that use up nerve force so rapidly, general debility becomes one of the most common maladies. The symptoms of debility vary, but weakness is always present. There is poor digestion, languor, weak, aching back, wakefulness at night, often distressing headaches and a feeling of fatigue. These symptoms indicate impure and impoverished blood. It is significant of nearly every attack of influenza that it is followed by anaemia and debility.

For all such run-down conditions, new blood is the most reliable cure, sufferers should at once begin to make their blood rich and red with Dr. Williams' Pink Pills. Under a fair treatment with this medicine they will realize more and more the health-restoring influence of good rich blood, and how the new blood brings a feeling of new strength and increased vitality. Proof is given in the case of Mrs. G. Robertson, Wingham, Ont., who says:—"When the Spanish influenza spread over our town I happened to be one of the first attacked, and the attack was very severe one, and worse still the after effects of the trouble left me in continuous misery. I had severe pains in my side, felt low-spirited, and with no ambition whatever. My head ached almost continually, my eyes felt heavy, and pimples broke out on my face. I was advised to try Dr. Williams' Pink Pills, and after taking them for a time I felt like my old self able to do my housework and feeling well and strong. I can strongly recommend Dr. Williams' Pink Pills for the serious after-effects of influenza as I am sure they will restore all sufferers to good health."

You can get these Pills through any dealer in medicine or by mail post paid, at 50 cents a box or six boxes for \$2.50 from The Dr. Williams' Medicine Co., Brockville, Ont.

TURN HAIR DARK WITH SAGE TEA

If Mixed with Sulphur It Darkens as Naturally Nobody can Tell.

The old-time mixture of Sage Tea and Sulphur for darkening gray, streaked and faded hair is grand-mother's recipe, and folks are again using it to keep their hair a good, even color, which is quite sensible, as we are living in an age when a youthful appearance is of the greatest advantage.

Nowadays, though, we don't have the troublesome task of gathering the sage and the messy mixing at home. All drug stores sell the ready-to-use product, improved by the addition of other ingredients, called "Wyneth's Sage and Sulphur Compound." It is very popular because nobody can discover it has been applied. Simply moisten your comb or a soft brush with it and draw this through your hair, taking one small strand at a time; by morning the gray hair disappears, but what delights the ladies with Wyneth's Sage and Sulphur Compound, is that, besides beautifully darkening the hair after a few applications, it also produces that soft lustre and appearance of abundance which is so attractive.

"SYRUP OF FIGS" IS LAXATIVE FOR CHILD

Look at tongue! Remove poisons from stomach, liver and bowels.



Accept "California" Syrup of Figs only—look for the name California on the package, then you are sure your child is having the best and most harmless laxative or physic for the little stomach, liver and bowels. Children love its delicious fruity taste. Full directions for child's dose on each bottle. Give it without fear. Mother! You must say "California."

REBELLION IN STOMACH

"Pape's Diapiesin" at once ends Indigestion and Sour, Acid Stomach

"Lumps of undigested food cause pain. If your stomach is in a revolt; if sick, gassy and upset, and what you just ate has fermented and turned sour; head dizzy and aches; belch gases and acids and eructate undigested food—just take a tablet or two of Pape's Diapiesin to help neutralize acidity and in five minutes you wonder what became of the pain, acidity, indigestion, and distress. Pape's Diapiesin liberates without rebellion; if your stomach doesn't take care of your food is a damage instead of a help, remember the quickest, surest, most harmless stomach antidote is Pape's Diapiesin, which costs so little at drug stores.

Women's Fashionable Winter Coats & Dresses



New garments are arriving weekly. Step in and inspect them.

All that's new in materials, in style and workmanship, shown for the present and coming winter season, is embodied in our superb showing of women's ready-to-wear garments. A spacious show room, abundant light, and an immense choice bids you come and make an inspection. Come early on Saturday.

Winter Coats

An immense stock to choose from, made in Velours, Tweeds, Silvertones, in pretty styles with muffer collar, belted and loose backs, sizes for ladies and misses..... \$23, \$25, \$34, \$42 to \$55

Ladies' and Misses' Handsome Coats, made in the latest styles, loose backs and dolman styles, belt effects, in Velours, Silvertones, trimmed with fur collars and cuffs, materials in shades of green, brown, reindeer, plum, navy and black, prices special \$34, \$42, \$55, \$60 to \$100

Misses' Coats, in smart girlish styles, made in good warm cloths, in colors of brown, taupe, Liberty blue and green, plush trimmed, for ages 14, 15, 16 and 17 years, special at.... \$19, \$22, \$25, \$34 to \$42

Beautiful Georgettes and fancy Ninons.

Large flowered Georgettes in all the new colorings, ivory, copen., navy blue, brown, purple, helio, cerise, tan, black, and white, etc., 40 in. wide, prices range from..... \$3.00, \$3.50, \$4.00, \$5.00 to \$6.50

Fancy Ninons in neat designs, Paisley stripe, etc., 40 in. wide, all good shades, copen., tan, navy blue, brown, ivory, etc., price..... \$1.50, \$1.75, \$2.00 to \$2.50

SILK JERSETTE AND CHARMUESE
For your reception dress or evening gown, we have a complete range of Charmuese, 40 in. wide, rich satin finish, very fine soft quality in ivory, pink, navy blue, taupe, nigger, navy and black, also the new Jersette Silk in all desirable shades, 40 in. wide..... \$3.75, \$4.50, \$5.50 and \$6.00

SILK CREPE DE CHENE
New Silk Crepe de Chenes in every wanted shade, ivory, pink, sky, rose, sand, grey, taupe, green, burgundy, nigger, navy blue and black, 40 in. wide, prices..... \$1.75, \$2.00, \$2.75 and \$3.00

BLACK SILK SPECIAL
100 yds. only Black Duchesse Silk, 36 in. wide, rich glossy black, guaranteed not to cut, regular \$3.75 per yard, on sale..... \$2.75

Phone 476. **LANG TREACY COY. LIMITED**

TAVISTOCK

Wm. and L. W. Appel and their wives motored to Stratford a week ago Monday.

Miss Irene Corlett of Kitchener spent a few days with her brother, E. A. Berlett.

Miss Jessie Short of Hanover, visited Miss Ida Lingelbach over the weekend.

Rev. Dubernell of Petersburg occupied the pulpit of Wellington Street Luth. Church last Sunday.

Death removed one of the oldest settlers of South Easthope on Tuesday, Nov. 4th, in the person of Katharina Kalbfleisch, relict of the late John Wittig. Decensed was born at Grabenau, Hessen - Darmstadt, Germany, came to Canada with her parents in 1842 and settled in S. Easthope. In 1858 she was married to the late John Wittig. In religion she was a devout Lutheran. The funeral to Trinity Luth. Cemetery, Sebastopol, last Friday was largely attended.

PRESTON

Grand River Railway are busy laying bricks on the Street Railway tracks in front of Harry Edgar's office. They want to complete the job before cold weather sets in.

A newsboy, who picked up a \$10 bill and returned it to the owner, was rewarded with a 25c piece for his honesty. The man who lost the money, does not live in Waterloo County.

HESPELER

Arthur Pullam, County Inspector of Childrens Aid Society, was presented with a beautiful gold watch by the boys of the home, Wednesday, November 6th.

The Canada Machine Company employees were the first in town to capture the Prince of Wales flag for 100 per cent. subscriptions.

Mayer L. E. Weaver will call a public meeting on Tuesday evening, Nov. 11th, in the Council Chamber, with the object of organizing a band for the town of Hespeler.

Sarna's Victory Loan committee held a carnival in the first snowfall of the season on Monday.

A Gift That Any Woman Will Prize

Luxurious New Furs



She can't help adoring them for these holiday presentations are so warm, and comfortable, so exactly what she has wished for in the way of quality and smart styling.

Reliability and the best value for your money is assured. Such moderation of price as one finds here is unquestionably noteworthy considering the growing scarcity of high grade pelts.

Come in and make your selection now while our stocks are complete. A reasonable deposit will hold your purchase till you want it.

FELDMAN

Furrier 21 W. King Kitchener's Fur Store

DEATHS.

Oct. 24, Preston, Josephina Lindner, in her 50th year.

Oct. 24, S. Easthope, Mrs. Seb. Fry-fogle, aged 63 years.

Harrison has already subscribed \$70,000 towards its \$200,000 objective for the Victory Loan. Stratford citizens are complaining because they are charged a one dollar for getting vaccinated.

China and Cut Glass

EAGAR & ELLIS

have moved from 56 Weber, West, to 87 Scott St.

Telephone 267W.

Dishes loaned for Banquets.

Special Sale of Ladies' Coats

Ladies' Serge Dresses, all wool... Come and look through; it will pay you.

LADIES' READY TO WEAR

Special showing of the latest mod in Ladies' Suits, Coats and Dresses. Ladies' Serge Suits, fine all wool, \$18, \$25, \$29.75, \$34, \$37.50, \$40 to \$50.

LADIES' WINTER COATS

Fine all wool Blanket Coats, lined full lined, for misses, sizes 14, 16, 18 open, brown and green, priced for sale..... \$20.00 and \$22.

VELOUR COATS

Ladies' fine all wool Velour Coats, black, navy, brown and green, priced sell at..... \$27.75, \$30.00, \$35.

SILVERTONE COATS

Silvertone Coats, lined and lined, some with fur collars, some plain self collars, embroidered, priced to sell..... \$33.50, \$35.00, \$40.00 to \$45.

Terms Cash One Price **Smyth**

Georgina



BLACHFORD ST.

How OXO British

to make their famous non-st

Interesting letter from Captain Sir J. Alcock.

"You will be interested to learn that OXO Atlantic Flight; it sustained us wonderfully. We had found out what a good thing it is to carry it with us on this occasion, and acceptable under such cold and arduous conditions which we carried."

OXO steadies the nerves, gives extra warmth to re extra strength to fortify a an abundance of energy the amount taken.

Prices same as before the war 10c, 25c, \$1.15, \$2.25.

A CUBE TO A CUP



King St. Business Block
FOR SALE
140-142 King St. West
For Sale at \$28,000
FOR QUICK SALE

APPLY

C. G. PRITSCHAU

120 King St. W.