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R. A. N. JARVIS, Manager.

THURSDAY, MAY 30th 1918

SHOULD BE REPAIRED

The Old Bridge, at French Fort Cove, which has not been used very extensively since the new one was built, is rapidly falling into decay.

THE POWER QUESTION

One of the biggest questions before the Town Council this year will be that of providing power to run the Town water and Light systems, and the only solution of the matter is the installation of new machinery or the use of water power, if such is available.

The price of fuel has advanced so rapidly that the cost of fuel for operating the Town plant has increased from \$6,178.49 in 1916, to \$12,783.40 in 1917, which will, without doubt, be further increased during the present year.

That water power is available at a distance within reach of the Town is not to be doubted, and the matter should be investigated at once, with a view to having an up-to-date electric system installed at the earliest possible moment.

The Town Council should secure a competent engineer, and make a survey of the water powers of the vicinity, and prepare an estimate as to the cost of utilizing them for power purposes.

Not only would the introduction of such a system reduce the cost of electric light and water, but it would provide power for manufacturing purposes, and would be the means of attracting to the Miramichi industries which are now kept away by the high cost of power developed by use of coal or wood.

The necessity of increasing the price of electricity from 15c. to 20c. per kilowatt, with a possibility of further increase next year and also an increase in water rates, brings home the fact that immediate action is necessary, and it is trusted that the Town Council will not delay in the matter.

AN EXCELLENT PLAN

(St John Standard) Residents of St John and vicinity, who are interested in Greater Production, might well follow the example set by a number of Newcastle business men, who have decided to apply up-to-date methods to the business of producing more food.

ROYAL YEAST CAKES HAS CANADA'S FAVORITE YEAST FOR MORE THAN 30 YEARS

Advertising Rates

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Newcastle, N. B. May 1st, 1918.

scientific methods of crop production will be practised. Reports from Newcastle are to the effect that the majority of the stock has already been sold and the promoters anticipate no difficulty in disposing of all of it.

The Newcastle plan is a most practical one that could be followed to advantage by citizens of other communities. With food prices at the level they are likely to reach during the coming fall and winter the venture should be most profitable.

The Nordin Shipyard Active

Several New Buildings Being Erected and Work Going Ahead Vessel will be Launched in the Early Fall

Much activity is displayed on the Nordin shipyard, where the new Schooner is expected to be finished by the early fall. A new blacksmith shop is being built, it is 30 by 65 feet. Another building 20 by 45 feet is being erected to house workmen in bad weather.

NEWCASTLE RED CROSS SOCIETY

Table with columns: Receipts, Expenditures, and Balance. Includes items like Balance on hand, Sale of Pin, Donation Mr & A Diver, etc.

CLEAN UP DAY

Last Thursday was very generally observed in Newcastle as clean up day, to the great improvement of the appearance of the streets.

FAMOUS PAINTINGS.

There Are Three Undisputed Mantegnas in This Country.

Andrea Mantegna, the brilliant master of the Padua school (1431-1506) was distinguished among the Italian masters of the renaissance by the classic style which made his figures on canvas not so much an expression of paint as of carved marble or molded bronze.

Of all the painters of his time he was generally regarded by critics as being most sensitive to the beauty of rounded form as distinct from outline. Mantegna died in Mantua in poverty, due not to lack of appreciation, but to his own extravagance.

The works painted by Mantegna, apart from his frescoes and the tempera pictures of the "Triumph of Caesar," now hanging in Hampton Court, are not generally authorities seem to agree that not more than thirty-five of the so called Mantegnas now extant are to be accepted as authentic.

In America there are only three undisputed Mantegnas. One is the "Adoration of the Kings" belonging to the John S. Johnson collection in Philadelphia; another is the "Madonna and Child" of the Altman collection in the Metropolitan Museum of Art, and the third is the "Madonna and Child" of Mrs. Jack Gardner's collection in Boston.

INVESTING MONEY.

What One Bank Has to Say About Real Estate Mortgages.

The president of one of the numerous savings banks of New York city recently had occasion to resort to statistics to prove his contention that real estate mortgage investments made with intelligence, knowledge of conditions and conservatism were the safest form of investment.

Thus the bank has invested of depositary funds at the rate of \$3,000,000 annually, receiving an average of 5 per cent, or \$150,000, in interest and paying its depositors an average of 4 per cent, or \$120,000, leaving a balance for the bank of \$30,000 annually. Against this surplus there is the comparatively insignificant charge of \$1,500 a year for a period of thirty years.

This record, significant of the not only safe but profitable business in mortgages, is that of one of the smaller banks in the savings group of New York city.

An Astronomical Mirror.

One of the most remarkable scientific instruments yet devised is that constructed by Professor R. W. Wood to aid the work of astronomers. This is an astronomical mirror, the reflecting surface of which is revolving mercury elaborately protected against vibrations, and it magnifies in proportion to the speed of its revolutions.

A metal dish containing mercury and turning on bearings on its edge a series of magnets, encircling, but not touching the mercury, are actuated by electric power. This ring is made to revolve upon bearings separate from those of the mercury container, but its magnets, attracting those on the container's edge, cause the latter also to revolve. Centrifugal force compels the mercury to the concave surface, perfect so long as free from jars. This apparatus is sunk in a well fourteen feet deep and set upon a solid foundation to eliminate all ordinary shocks.

Why the Owl is a Night Bird.

Birds are often credited with bringing down fire from heaven. In Polynesia it was said that the owl, in French folklore, the owl. The tale runs that all the other birds except the owl contributed a single feather apiece to replace the scorched plumage of the wren, so as to keep it warm in the coming winter. For its ill nature the owl was excluded from eternal selection during the warm day and to perpetual suffering from cold during the night, and the other birds maintain the punishment by pecking at it if it appears in sunshine.—London Lancet.

Reason for the Change.

"Your behavior is about as entertaining as the news to be." "Well," replied Senator Sorghum, "maybe I'm improving. People nowadays are getting so thoughtful that you can't expect 'em to vote for you simply because you can make 'em laugh."

On Persistence.

He that has patience to attend small profits will quickly grow to thrive and purchase. They are easier to accomplish and come thicker. So be that from everything collects some what shall in time get a treasure of wisdom.

The Impudent Did You See the Review

this morning in the Morning Blast? It said it was a beautiful. The Southwestern, they might as well say so.

Walt in His Line.

The Leading Heavy-Hurry with my order. I was accustomed to being served by the waiter. I don't doubt my waiter's service.

The Standpoint.

She said: "I've been in awful taste. I've been in awful taste. I've been in awful taste."

Summer Hosiery at 50cts. We want every Lady in Miramichi to see and wear a pair of these beautiful Penman Hose. They are made of Soisette, a special selected Egyptian silk yarn and will retain their lustre after washing.

Baron Shaughnessy on the C.P.R.

A Fascinating, Historical and Political Record

Lord Shaughnessy's report to shareholders at the annual meeting of the Canadian Pacific Railway Company, embodied a review of the salient features of the company's financial policy and progress leading up to its present stable position. It is shown that under the terms of the contract dated October 21st, 1880, between the Government and the C.P.R. the Government undertook to give, by way of subsidy, to assist in the completion of certain western sections of the system then in process of construction under government auspices, \$25,000,000 in cash and 25,000,000 acres of land suitable for settlement.

The review goes on to describe the linking up of eastern Canada with the company's system which served thousands of miles of territory that was practically unhabitable. The eastern connection was imperative if the unremunerative territory was to be successfully developed. The history of capital expenditure is an interesting chapter, not only in the history of the C.P.R. but also in that of the Dominion itself. After 1892, so rapid was the traffic development, it was necessary to provide substantial additions to traffic facilities of every description. From 1902 to 1914 inclusive, the records show expenditures for second tracks, the reduction of gradients, terminals, work-shops, etc., of \$206,300,000; and for cars, locomotives, and other equipment \$130,000,000. To meet this expenditure of \$336,300,000 the directors appealed, successfully, to the ordinary shareholders of the company. In the thirteen years mentioned, the shareholders were offered and accepted \$195,000,000 par value of common stock for which they paid the company no less a sum than \$262,100,000. Out of this \$336,300,000 of bonds were paid off—\$48,000,000 retired, and \$25,300,000 was used to pay the cost of railway lines acquired or constructed, and of additional steamships, on which no bonds or debentures were sold. The remaining sum of \$262,100,000 was supplemented by the sale of preferred stock and equipment notes bringing in \$56,500,000 and making a total of \$258,600,000 to apply against expenditures of \$336,300,000. The difference of \$17,700,000 was provided from the surplus revenues of the company being a further contribution by the shareholders of that amount from "surpluses of undivided profits."

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Something About the Land Grant.

The company's Land Grant, which is a source of serious anxiety to financial doctrinaires who have only half studied the subject, is treated at considerable length in the review. As late as 1888, when the railway had been in operation for some time, the Dominion Government consented, as a consideration for some concessions under the Charter to guarantee the interest on \$15,000,000 Land Grant Bonds, but would in no circumstances guarantee the payment of the principal which would have given the security increased market value, although the bonds had fifty years to run and only represented a value equal to 75c. per acre. This did not reflect much confidence on the part of the Government towards Land Grant values, and there is no doubt that at that time the Government could have recovered the whole Land subsidy at the price per acre just mentioned, i.e., 75c. For many years this Land Grant was a drag on the Company's development. Interest had to be met on the Land Grant bonds, whose proceeds had been devoted to the purposes of the railway, and although considerable sums were spent on immigration propaganda, land sales were disappointing and unsatisfactory, the price yielding the company only from \$1.50 to \$2.50 per acre, after selling expenses had been paid. It was not until 1888 that agricultural lands in Western Canada attracted buyers in any numbers, and even in that year when \$45,000 acres were sold, and in the three subsequent years, the net return was only \$2.50 per acre.

Shortly after the C.P.R. contract was made, the Federal Parliament commenced to vote grants of land in very large areas by way of subsidy for the construction of railway lines in western Canada, to many companies incorporated for that purpose. Most of these companies never materialized, though much good land was spoken by them, thus necessitating the C.P.R. going further afield to satisfy the land 2,000,000 acres of its Grant. The company was compelled to accept lands along the line west of Medicine Hat, in the "semi-arid" district, where there was little or no water, which made the lands practically valueless. To recover this tract it was decided to adopt a plan of irrigation, and an expenditure of \$15,000,000 was made in the construction of works and ditches comprising an area of 2,240,000 acres. Of this area, not previously worth five cents an acre for practical purposes, portions now served by the ditches command high prices.

The "Ten Per Cent Clause."

In regard to the much discussed "Ten per cent clause," the review states that the suggestion made in some quarters that the spirit and intent of this Clause was to limit the company's dividend to ten per cent is entirely out of harmony with the clear, unquestionable language of the instrument. The Clause had no more relation, direct or indirect, to the C.P.R. dividends than it had to the dividends of any other railway company, or of any commercial or industrial corporation. Seventeen per cent instead of ten per cent annum might properly have been distributed from the average earnings of the railway had the directors not been convinced that a prudent and conservative policy was in the best interest of the property.

The total capital of the C.P.R. is \$623,000,000 which contrasts with the actual cost of the company of \$687,000,000 exclusive of \$31,000,000 of railway constructed by the Government and handed over to the Company. It is also exclusive of \$111,000,000 provided from surplus earnings, land sales, etc., expended on the property and written off without being capitalized, so that based upon cost, the transportation system represents an outlay of \$818,000,000 or about \$61,000 per mile.

The conservative financial policy of the directors cannot be better illustrated than by the fact that the net earnings per mile required to meet annual interest charges on the G. T. R. C. N. R. G. T. P., and the N. T. R. would suffice to cover the annual interest charges, dividends on the preference stock, and seven per cent dividend on the common stock of the C.P.R.

Extraneous investments, including steamship lines, railway companies outside Canada, Government securities and loans, money set aside for investment, unheld lands, amounts payable on lands already sold, coal mining and other properties, are appraised at \$252,000,000 which is substantially below the market value of these properties and other assets of the company developed and maintained because profitable.