

The Toronto World

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FRIDAY MORNING, OCTOBER 2.

A Free Choice Denied

This is a great day for the Liberal party in Ontario. The Conservatives, who have the strongest representation any party could hope to get, have deliberately thrown away their advantage, disgusted their members, and flown in the face of all Conservative party principles by submitting to the dictation of outside agencies, and failing to insist upon a caucus for the choice of a new leader.

The death of Sir James Whitney left the party in an unusual position. On coming into power for the first time after an election, a political party always has a leader who is naturally recognized as the logical premier. In the present case the Conservative party has no recognized leader in Ontario, and the proper thing to have done would have been to call the members together and let them decide upon a leader. An inner circle, however, decided that they would not trust the members, that is, that they would not trust the people, and set about carrying out their own wishes independently of either members or people.

The members have not had strength enough, or perhaps a sufficient nucleus of opinion, to enable them to come out in the open and say what they wanted. If half the members had declared in public what they have been thinking in private there would have been a caucus summoned immediately after the funeral on Tuesday. No action was taken. The city members sat tight, and the country members ran around loose.

Ottawa sent down word what it wanted, and the thing was put thru in approved kaiser fashion. This overthrow of popular government methods, this infringement of the rights of the members of the legislature, this sweeping aside of all the honorable principles of government for which Sir James Whitney established a tradition in the province, can only mean the decadence and ultimate break-up of the Conservative party.

We shall be told that it is rank treason to say such things. It is rank treason to say to such things. To allow the Conservative party to run its train into a broken bridge and keep quiet while the smash is coming is a poor idea of loyalty to the party. Every man who has the interest of the Conservative party at heart should be out with a red flag waving of the danger.

Government by junta or by clique or by any form of kaiserism is utterly foreign to the spirit and principle of the Conservative party and the Conservative voters of Ontario. Certain self-appointed leaders may think they know better than all the political sagas of the last hundred years. But they don't, and they will learn, as others have learned, when it is too late to put the lesson into practice.

The World has taken its stand on this democratic principle, and the Whitney tradition. It has not supported nor opposed the claim of any man to office. It has declared that the choice of a weak man will be fatal to the party interests. It holds that no man should be chosen without taking the views of the party in caucus. If the holding of such opinions is treachery to the Conservative party, then there are few loyal men in it. But such views and opinions are the strength of the party, and without them the party will be weak as water, and the strongest man appointed to represent the absence of such views will have neither influence nor authority with the members nor in the country.

We are informed by The Toronto News that Hon. Mr. Hanna has refused the position of premier. The News should have supplemented the statement by telling us who offered it to him. The News also tells us that Hon. Mr. Lucas has not had sufficient experience for the office. The News should also have told us why a man with still less experience is regarded as more eligible. The Mail and Empire discourses on Von Kluck's predicament and on greenhouse vegetables in winter, but says nothing about Hon.

Dr. Fyne's predicament, or how to get a premier in an open fall. Papers like The Brantford Courier say that whoever may be chosen the choice will be that of the members and the party as a whole. But what has been done to insist upon the assembling of the members in caucus?

There is no blinking the fact that the members are being pushed to one side in the choice of a premier, and therefore the democratic status of the Conservative party is attacked. We have already pointed out where that attack has come from. We are glad to see that The Evening Telegram also recognizes the danger, and we quote from what The Telegram says elsewhere.

There is really no general disagreement about the matter at all, but those who are agreed seem afraid to express their convictions, and the choosing of a premier for Ontario is being allowed to go by default. Every minister in the future cabinet will be under the same stigma that must attach to the new premier chosen in such a way, and when the next session of the house is called the whole government will be particularly and unnecessarily susceptible to criticism.

The Avalanche

In a leading editorial of recent date Financial America says: Developments in the foreign exchange market in the last twenty-four hours raise a question as to the probable adequacy of the \$100,000,000 gold pool and other plans for the removal of the deadlock in the international exchanges and the impasse in the financial markets, including the stock exchanges here and in London. It is understood that estimates of our indebtedness to Europe, which ought to be settled between the present time and the end of the year, made by the organizers of the \$100,000,000 gold pool, run into the hundreds of millions of dollars. The opinion is growing, therefore, that present plans for the relief of the situation can be only partial in their effect.

Thus the curtain is lifted just a little, and we glimpse something of the appalling situation which now confronts the United States. Not long ago we published an article from another financial paper of high standing, which said in effect that the "whole truth" would soon have to be told to the people. Only a few days ago the comptroller of the currency warned a bankers' convention that American securities, of the par value of four billion dollars, would be dumped on the New York market from Europe as soon as the stock exchange reopened. Probably another billion dollars' worth were sold on the outbreak of the war, and will have to be settled for in the near future.

The sudden demand for the liquidation of securities to this huge amount would in itself be sufficient to cause something like a financial panic, but if the securities represented real value the country would still have the property and earning power and might permit the foreign investor to pocket a loss caused by his need for ready cash. Unfortunately, the savings of the people, confided to the life insurance companies, the trust companies and the banks, have been invested in the railway securities, whose value will be all but destroyed by the coming avalanche. Upon this point we cite an authority, no less eminent than B. F. Bush, president of the Missouri Pacific and Denver and Rio Grande Railroads, who, addressing the Missouri Press Association at St. Louis last week, said:

Millions of our people are daily making noble sacrifices and denying themselves the comforts and pleasures of life in order to provide for dear ones after they have passed away. Their savings thus effected are largely invested in railroad securities thru life insurance companies and savings banks. There are over 25,000,000 insurance policies in force and ninety-three per cent. of the companies hold as part of their assets \$1,250,000,000 in railway securities. These insurance companies have pledged themselves to provide for beneficiaries sooner or later an aggregate sum of over fifteen and current assets of these companies in 1910 were \$3,640,000,000, and as has been well said by one of our eminent economists, "this sum in the ship which is carrying the hopes of millions of our people, and the question the people are asking, and which they have a right to ask, is, 'Is that ship seaworthy?' We may well give thought to so grave a question."

Mr. Bush also deals with the railway holdings of the banks, and declares that widespread distress will follow any enforced liquidation of railway securities. He was pleading for higher freight rates which he believed might so increase the earnings of the roads as to prevent general liquidation. If such liquidation were forced at this time, what would become of the life insurance companies and many banks and trust companies? They would have to go out of business, and their shareholders, depositors, clients and policyholders would know absolutely, what they now suspect, namely, that their savings have been dissipated and lost to them forever. No doubt some prudently managed concerns which bought honestly for investment certain securities will have substantial assets even after writing down their book values 50 or 75 per cent., but a great number of the bigger companies are practically underwriters for waterlogged securities of no value which they expected, thru Wall Street, to unload upon the public. Now that they are threatened with the avalanche from Europe, instead of being able to sell, they will have to try

HAS RELEASED A SPIRIT THAT HE CANNOT CONTROL



to buy in a great many of these securities. They must try in some way to keep the people from learning the truth.

So far as the railways are concerned, the truth appears to be that they represent an investment of about nine billion dollars, and that they are capitalized for nineteen billion dollars. Many of the issues are fraudulent and utterly worthless. As to others, the proceeds were stolen by one device or another, and still others represent extravagant prices paid for almost worthless branch lines and other properties. The roads themselves are deteriorating. They stand in immediate need of replacement, betterments, extensions and equipment, calling for an additional two billion dollars.

As the situation is today it may be doubted whether all the railway systems in the United States combined are worth more than twenty-five per cent. of their capitalization. The loss threatened by a businesslike scaling down and readjustment of values would cause distress so far-reaching as to be almost unendurable. No less than four million people owning railway securities would be directly and immediately affected, some of them to the point of financial ruin, and probably twice that many would lose the greater part, if not all, of their savings committed to the care of the life insurance companies and kindred institutions of a fiduciary character. Mr. Bush, whom we have already quoted, says that increased business will not help the roads, and that they must have higher rates if they are to remain under private ownership. But the problem is too huge to be handled except by the government, backed by the support of the people.

Perhaps it would be wiser for the United States papers to speak out frankly, and for the insurance companies and the banks to take the people into their confidence. Billions have been squandered by Wall Street and lost to the people. They may as well know the situation and prepare to deal with it.

REVENUE FALLS, OUTLAY RISES.

LONDON, Oct. 1.—For the first half of the financial year, ending yesterday, the British national revenue amounted approximately to \$280,000,000, a decrease of \$15,000,000 as compared with last year, while the expenditure aggregated \$270,000,000, showing an increase of nearly \$250,000,000, due to the war.

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PLAIN TALK ON THE PREMIERSHIP

THE HYDRO.

(Editorial in The Toronto Telegram.)

If it were given to the people of Ontario to choose Sir James Whitney's successor there is no doubt whatever that they would declare by an overwhelming majority in favor of Sir Adam Beck. The majority of Ontario associate the name of Sir Adam with whatever is most progressive, most far-sighted and most courageous in the work of the Conservative party. He has done more for the province than any of his colleagues put together. The success of the hydro-electric scheme is Sir Adam Beck's achievement, and as a tribute to Sir Adam's unflinching seal for that enterprise, the people of Ontario would gladly bestow upon him the highest honor in their gift—the premiership.

Yet Sir Adam leaves it to others to aspire to that high place. But if Sir Adam proves to devote his energies to the hydro-electric policy, the man who fills the premier's chair must be in hearty accord with Sir Adam and his power for the success of the people's policy scheme. Loyalty to the hydro policy is the right of the people above the demands of the corporations, and the people will not tolerate back-sliding.

There is more than one man in the cabinet of enough personality to lead a party. The choice of a premier should fall upon the one who has done most to advance the policy which kept the government in office this year, and must be its great outstanding asset in years to come.

The members of the last legislature are in a position to say which of all the aspirants gave the most effective support to the hydro policy. The choice of a premier should be made on the basis of qualifications for leadership, he is the man who should straightway be made premier.

A man has all the other qualifications but is lukewarm in his support of the hydro policy. He cannot be considered by any man who has the future of his party at heart. Loyalty to the people's power scheme must be the test.

The men who attended the last legislature, who heard the speeches in the house and watched the work in the committee rooms should have no difficulty in singling out the best available man. And they should have no hesitancy in bringing their opinion to the attention of the lieutenant-governor.

The voice of the men whom the new premier will have to lead certainly outweigh that of any emissary from Ottawa. Whether Hon. Frank Cochrane is busy, or whether he is here as a courier from the east, his presence in the legislature should not be allowed to count in favor of one candidate or against another. Surely the members of the Ontario Legislature are big enough to preserve their autonomy and resist meddling from Ottawa. Particularly is Hon. Frank Cochrane the man to act as a kingmaker in this province. The Ontario Government has a big problem and a big policy; Mr. Cochrane has done nothing towards solving the one or furthering the other. His activities in the elections of 1911 and 1914 in the north country complicated the bilingual question. At Ottawa he has been more of a hindrance than a help to the hydro-electric policy.

The minister of railways seems unable to understand the situation in Ontario. If he had his way the Conservative Government in Ontario would have no stable foundation than petty politics. At present the Conservative party has a comprehensive policy, but will demand as more members have no desire to see the day return when Ontario politics degenerated into an ugly scramble for seats. The Cochrane school has few adherents among those members who realize that performance counts with the electorate more than vote-catching promises. The future of the Conservative party depends upon a strict adherence to the progressive path upon which it has set out. The province will stand by that party only so long as it is loyal to the people. The loyalty can be demonstrated by turning a deaf ear to the cajolery of the corporations and by unflinching support of the public welfare thru such schemes as the hydro-electric policy. Unless the Conservative party wishes to throw away all the advantage of an era of public service, it will not tolerate hold-over and corner methods, but will demand as its new leader a man in whose hands the future of Sir Adam Beck's work will be absolutely safe. The new premier must pass the acid test of loyalty to public ownership.

H. C. HOCKEN ON SIR JAMES.

(Editorial in The Orange Sentinel.)

The late premier was unfamiliar with slick methods. He despised them. Soft phrases capable of a double interpretation were hateful to him. No man ever interviewed Sir James without knowing when he left his presence exactly what to expect. This is what made him popular. Every elector in Canada felt that they could depend upon him to carry out the last word of his pledges. They knew that while he presided over the affairs of this province nothing in the shape of graft could enter the administration. He was so punctilious in his own conduct, and had such a horror of questionable transactions, that his leadership was bound to be of that character which excites public confidence and approbation.

While his simple integrity was his strongest characteristic, the policy of the Whitney Government was one which in itself was calculated to win the approval of the people of the province. An old-fashioned Conservative in all his views, Sir James became the most courageously progressive leader that the province has had. The Hydro-Electric, University and the Workmen's Compensation are all outstanding achievements which marked the progressive character of his administration.

From every standpoint, therefore, the people of Ontario have reason to mourn the death of Sir James Whitney. It is which he exhibited so successfully will mark the character of his successor. At least he has shown an example, and lived long enough to prove its strength, that should be an inspiration to the man who may be selected to take his place.

From the standpoint of the association which The Sentinel represents, there is grave cause for sorrow in his death. He had the courage to begin the work of eliminating the teaching of French from the schools of Ontario. After the last election he expressed greater determination upon his part than before to take such steps as might be necessary to preserve this as an English-speaking province. His name will live in the annals of the public life of Canada as the most courageous, and administered the affairs of the Province of Ontario.

WHY BRITAIN IS AT WAR.

"Blue Books" and "White Papers"

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do not as a rule provide enlightening reading for the general public. Few ever look at them and fewer still read them unless they happen to be concerned with the affairs which form their subject matter. But this war has provided an exception in the White Paper of correspondence respecting the European crisis, issued by the Imperial Government and included in the Blue Book issued by the Dominion Government, under the caption "Documents Relative to the European War."

These, however, require more time to follow and digest than many are able to afford, altho for those who can spare it they will be found intensely interesting apart altogether from the mazes of diplomacy which are revealed.

Every British citizen and every young Briton should, however, make it his business to understand the why and wherefore of this Pan-European war. They will find, in a readily intelligible form, the main points at issue in a pamphlet, prepared primarily for circulation by the Victoria League, by Sir Edward Cook, a distinguished journalist, editor successively of The Pall Mall Gazette, The Westminster Gazette and The Daily News, all of London, England, and later a Fellow

of Winchester College. He has put together, in a readily intelligible form, the main points in the diplomatic correspondence and in the speeches of the imperial cabinet ministers. The pamphlet, published by the Macmillan Company, of 70 Bond Street, London, postpaid for ten cents, is now available in Canada, and should be in the hands of everyone who desires to be posted on the strength of the British case.

FUNERAL TODAY.

The funeral of the late John MacKenzie Anderson will take place from his residence, 282 Palmerston avenue, to Mount Pleasant Cemetery at 2 o'clock this afternoon. Mr. Anderson, who died last Wednesday after an illness of three weeks' duration, had until recently been confidential clerk to R. J. Fleming, afterwards entering the customs branch of the civil service.

STUDENTS URGED TO JOIN.

On the return of the law students yesterday, Capt. Arlidge made a strong plea to them to join a newly formed Law Students' Rifle Association.

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