C.P.R. LOANS ONTARIO RAILWAY LARGE SUM

Grand River Company Gets Million and Half, Witness Tells Radial Commission—Last Year's Deficit Caused by Payment of Interest Charges—Heavy Cost of Construction.

Evidence showing strikingly the present exorbitant cost of railway construction was given at yesterday's session in Osgoode Hall of the Hydro Radials Commission. The testimony concerned the Grand River electric system from Galt to Kitchener, and was particularly informing as this road is of the light construction type advocated as a substitute for the Hydro radials by previous witnesses at the probe.

Mr. M. W. Kirkwood, manager of the Grand Valley Electric Railway, occupied the witness stand during the day and at the afternoon session quoted figures showing the yearly income of the road to have increased from 1914 to 1920 from $214,995 to $355,000, and operating costs to have increased disproportionately so as to raise the operating ratio during the same period from 60.4 to 78.9. Construction, repairs and extensions during the past year were also stated to have increased the capitalization of the road from $1,114,559 to over $2,300,000.

Mr. Kirkwood submitted the following table as indicating the progress of the road:

	Gross Earnings.	Net Earnings Less Fixed Charges.	Operating Ratio.	Surplus.
1914.....	$84,933		60.4	$55,000
1915.....	67,000		62.1	38,000
1916.....	90,800		58.3	51,000
1917.....	73,100		67.9	43,000
1918.....	53,000		76.6	23,000
1919.....	55,000		78.	27,000
1920.....	74,335		78.9	8,883 (deficit.)

Items which were not shown in the table were declared by Mr. Kirkwood to be fixed interest charges of $17,000 per year, and dividend payments of $12,500. The deficit in 1920, he stated, was due to the payment of interest charges on $1,500,000 borrowed from the C.P.R.

"For what purposes was this money borrowed?" inquired Commission Counsel I. M. Hellmuth, K.C.

"For rolling stock, rebuilding of overhead transmission, and revision of the line to Galt," replied Mr. Kirkwood.

Right of Way Obstacles.

The witness stated that the company had been forced to undertake considerable expense in order to avoid right of way difficulties in the municipality of Galt and at other sectors. The construction in progress, he believed, would lengthen the line only by approximately three miles.

"Nevertheless, these charges have practically trebled your capitalization during the past year," pointed out Mr. Hellmuth.

"Yes," agreed the witness.

"And it is a fact that previous to the past year you were able to pay interest charges, dividends on capital, and accumulate a surplus?" continued Mr. Hellmuth.

"Yes."

Mr. Kirkwood gave increases in wages and materials as the principal factors in the rise of the operating ratio. Labor cost to the concern, he declared, had advanced 50 per cent. during the past year.

In reply to Mr. Hellmuth, witness stated that the business of the road was divided between freight and passengers in the ratio of 65 to 35. The majority of the freight was thru traffic handled by virtue of terminal connections with the C.P.R.

Mr. Kirkwood then gave evidence concerning the Lake Erie & Northern Railroad, a fifty-mile road connecting Galt and Port Dover. The system was capitalized at $1,500,000, and subject to annual interest charges of $92,700. It also, in spite of an increase since 1917 of from $108,000 to $323,000 in its gross earnings, showed an annual deficit in the neighbor hood of $50,000.

"Are you contemplating any expenditures upon this line?" inquired Commissioner Bancroft.

"Yes; we have borrowed $240,000 from the C.P.R. for new equipment and alterations," stated Mr. Kirkwood.

"Then, the C.P.R. must regard these roads as good business if they are willing to make these advances," remarked Mr. Bancroft.

Require More Sidings.

Mr. Kirkwood described the business of the Lake Erie & Northern as being 65 per cent. passenger and the remainder principally thru freight, secured by connections with the C. P. R. and Michigan Central.

"Do you look for any great increase in your business within a reasonable time?" queried Mr. Hellmuth.

"Not until we secure more industrial sidings," stated the witness, explaining that the road had but poor facilities for securing the shipping of concerns at Brantford and other factory centres.

Mr. McKay, Hydro municipalities' counsel, questioned the witness regarding proposed changes on the Grand River line.

"You are altering your transmission from 600 to 1500 volts. To what extent will this enable you to increase your trailing load?" he asked.

"Our present load is around 300 tons, and we shall be able to haul 800," replied Mr. Kirkwood.

"That will greatly assist your operating ratio?"

"Yes."

Mr. McKay further implied that increased rates might reasonably be sought to help radial projects. Railroad men, he ventured, regarded an operating ratio of 48 or 50 as desirable, and believed that the tendency in rates should be such as to permit a return to this percentage.

"Yes," agreed Mr. Kirkwood.

Evidence at the morning session was given principally by W. M. Neal, assistant general superintendent of Ontario division, C.P.R. Mr. Neal stated that the C.P.R. was not handling freight in the radial zone to one-half of its capacity. It was prevented, he testified, from handling passengers by having only Grand Trunk tracks.

In regard to the needs of a suburban population, Mr. Neal was of the opinion that a steam road was not suitable for serving short hauls of from five to fifteen miles. To Counsel McKay's suggestion that suburban population would spread to within 35 miles of the city if given adequate rail service, he was skeptical, and declared that it would depend entirely upon the extent of congestion in the city concerned.

Mr. C. Bowker, terminal superintendent of the Grand Trunk eastern lines, also gave evidence, and declared the freight between Toronto and Bowmanville to be less than 10 per cent. of the total handled on that line. He stated that the Grand Trunk would not run an hourly local service, as it would interfere with the movement of freight on the main line.

SEES PROSPERITY OF STABLE NATURE

American Authority Has Confidence in Conditions of the Near Future.

Unbounded confidence in the prospects for 1921 to tend to a prosperity more stable and more old-fashioned than the novel and dangerous prosperity experienced during the last two years was expressed by Mr. John Moody, of New York, in his address before the board of trade yesterday.

Mr. Moody is a well-known statistician and financial authority, and the fact that he prophesied situations last year which did develop, drew a large audience too hear him. He believed then that there would be a deflation without panic, and that there was a great deal of prosperity without prospects.

If business men today would look further ahead than a few weeks, Mr. Moody thought that they would see that there was no fundamental reason for thinking that the world would not recover. Prosperity depended upon raw materials, labor and capital, and in Canada and in the United States in a few months there would be plenty of capital available. The speculative prosperity of 1919 had continued until there was neither enough labor nor capital, and the speculative mania had boosted prices faster than incomes had increased. When consumption dropped to a nominal sum because over one hundred million people had stopped buying, business men had been left high and dry, and the slump had in some cases come almost overnight.

Labor Situation.

Industry, said Mr. Moody, was going at top speed; everybody was stocking up, and when the high prices upset the labor market, capital was also affected. However, since last summer things were tending to a more stable situation, and thousands of operatives in the United States were glad to get work at lower wages. The surplus in labor today would continue to accumulate as long as merchants continued to carry on their business on as large a scale as before. Business houses were over-extended, and the tendency was towards liquidation.

"Prominent bankers see signs of a big reduction in loans during the next few months," said Mr. Moody, "and we will enter 1921 with every prospect of easy money. By late spring three or four billions of bank loans will have been paid off. Commercial paper will drop from 8 per cent. to 6 per cent., and by May 1 I look to see call money as low as 4 per cent. or perhaps 3½ per cent."

Prosperity might be delayed by complications, continued Mr. Moody, but it would be more stable than the novel and dangerous prosperity during the last few years. He thought that the tendency to lower commodity prices would continue for the next ten years and that it might be twenty-five years before they got back to a normal situation. In spite of the capital needed to restore Europe, rates would be permanently lower and there would be a steady revival of business rather than any speculative boom.

In 1921 there would be a great many business failures, but Mr. Moody did not believe that there would be any panic. Confidence in the future was warranted, altho people should not become too optimistic as it might be more than five months before labor and capital would be available. Britain, France and Belgium had made wonderful progress, and Germany would be in a more stable situation in another year. Today business men were too prone to say that the outlook was as bad as it was during the war, because they were only making 50 per cent. profit instead of 200 per cent., but they would have to think of the future in a sane and sensible way, and if they suffered in Canada and the United States it would be for their good in the future.

"Today we have no prosperity, but we have wonderful prospects," said Mr. Moody, "and we will have prosperity if we think clearly, act wisely and get down to business and common sense."

STREET CARS COLLIDE.

Jumping the switch at Ossington avenue and Bloor street while crossing the intersection yesterday, a northbound Harbord car crashed into a southbound trolley. The rear of the car was completely demolished. John Parnham, 35 Millicent street, a city employe, on the car at the time, was slightly cut by flying glass.

TODAY and TOMORROW

Can You Face This?

Can you see 50,000 people want for clothes, for food, for a decent bed?

You, warmly clothed, self-supporting and prosperous, can you do it?

Now, it wouldn't matter one iota who or what a person was, if you knew him---and suddenly learned he was in distress. You would help him out---you would not neglect him.

But You Will Be Neglecting 50,000 People in Distress Unless You Support the Federation Today or Tomorrow.

Maybe you haven't had Federation put up to you this way before. Maybe you've been out of town. Maybe you've been missed by the workers. Or maybe you've had some misunderstanding about it.

But just remember! This $450,000 drive is to help those who need help in Toronto.

Let that stand out in your mind. Get right on that point this minute.

Phone the headquarters today to send some one around to your place for your contribution. Call in, if you can—or send it in to help in this great cause. Do this now. The campaign ends tomorrow.

You Be a Self-Starter and say:

"In Consideration of God's Great Gifts to Me I Hereby Subscribe My Share to the Federation for Community Service."

The FEDERATION for COMMUNITY SERVICE

Campaign Headquarters: King and Church Streets, Toronto. Phone Adelaide 4888.

Make Cheques Payable to the Honorary Treasurer, Sir Edmund Walker.

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Beautiful pelts, finely dressed and ready for use, will be sold in any quantity from one skin upwards, at astonishing prices.

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CHILDREN BENEFIT BY TORONTO WIDOW'S WILL

The National Trust Co. has been granted probate of the will of Mrs. Georgina Moran Alexander, a widow, who died October 16, leaving real estate in Muskoka valued at $2500, an equity of $7743 in the property at the northeast corner of Queen street and Manning avenue, and $2170 personalty. She left her daughter, Mrs. Emily Wright, the property in Muskoka, and $1000 in trust for the maintenance of the children of the late James L. Alexander, a son of the testatrix, and the residue to her five daughters and four sons.

KING STREET DIRECTORS PLAN REORGANIZATION

Directors of the King Street Association have decided to make an effort to expand the membership and influence of the organization. It is hoped to have the campaign finished in about three weeks. Henry A. Taylor, the president, said: "The plans which we have adopted contemplate also a reorganization of the association, so as to give the new membership an equal control with the present members."

BUILDING PERMITS ISSUED.

The following building permits were issued by the city architect yesterday: Irving W. Smith, addition to 26 Glen Elm avenue, $3,500; G. F. Stiles, alteration and addition to 94 Castle Frank avenue, $2,500. G. K. Christensen, two semi-detached brick and stucco dwellings, Harris avenue, near Westlake avenue, $14,000.

Murine Night and Morning. Have Clean, Healthy Eyes. If they Tire, Itch, Smart or Burn, if Sore, Irritated, Inflamed or Granulated, use Murine often. Soothes, Refreshes. Safe for Infant or Adult. At all Druggists and Opticians. Write for Free Eye Book. Murine Eye Remedy Co., Chicago

COFFIN CARRIED OWING TO BAD STATE OF ROAD

Such is the state of the roadway on Erskine avenue that a hearse became deeply mired in a hole yesterday. The body was taken out of the hearse and carried along the sidewalk and to the rear of Mount Hope Cemetery, about a mile in distance, by the pallbearers.

C. N. R. APPOINTMENT.

The announcement is made at Canadian National Railways headquarters of the appointment of W. C. Muir to be general manager Canadian National Express Company, with headquarters at Winnipeg. Mr. Muir was heretofore general superintendent of the Canadian National Express Company.

MINING MAN ISSUES WRIT.

A writ has been issued by R. J. Chappelle Godden, a mining man, against the King Edward Hotel Co., for $20,000 damages for alleged slander and assault. Starr and Spence are being retained by the hotel.

Cuticura Soap
The Safety Razor
Shaving Soap
Cuticura Soap shaves without mug. Everywhere 25c.