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The Toronto World

TUESDAY MORNING FEBRUARY 13 1917—FOURTEEN PAGES

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VOL. XXXVII—No. 13,243

BRITISH GAIN IN DRIVE TOWARDS PUISIEUX, NORTH OF ANCRE Canadians Carry Out Three Successful Raids Against Bavarians

UNITED STATES GOLDILY SPURNS RUN-OVERTURES

No Discussion on Nicties of Submarine Question Can Be Tolerated.

IMPUDENT PROPOSALS

German Newspaper Correspondent in U. S. Attempted a Bold Stroke.

Special to The Toronto World. Washington, Feb. 12.—President Wilson acted swiftly on the overture of a peace conference sent to him by the German foreign office. A reply was made to Germany today making it clear that such a conference would not be considered as long as Germany kept in effect her blockade proclamation of January 21, and that there would be no middle ground for compromise so far as this government was concerned.

The true cheekiness of the German proposal was seen in a memorandum submitted to Secretary Lansing by the Swiss minister, Dr. Ritter. Germany proposed a conference with the United States to avert war while the ruthless submarine warfare was in progress. It did not suggest that Germany would be willing to suspend the blockade for the sake of keeping peace with this nation.

Flat Rejection. The memorandum and reply are as follows: Memorandum.—The Swiss Government has been requested by the German Government to say that the latter is, now as before, willing to negotiate, formally or informally, with the United States, provided that the commercial blockade against England will not be broken thereby.

(Signed) "Dr. Ritter." This memorandum was given immediate consideration, and the following reply was despatched today: My Dear Mr. Minister: I am requested by the president to say to you in acknowledging the memorandum which you were kind enough to send me on the 11th inst., that the government of the United States would gladly discuss with the German Government any question it might propose for discussion, were it to withdraw its proclamation of the 1st of January, in which, suddenly and without previous intimation of any kind, it cancelled the assurances which it had given this government on the fourth of May last, but that it does not feel that it can enter into any discussion with the German Government concerning the policy of submarine warfare against neutrals, which it is now pursuing, unless and until the German Government renounces its assurances of the fourth of May and acts upon the assurance. I am, my dear Mr. Minister, etc.

To His Excellency, Dr. Paul Ritter, Minister of Switzerland. No other exchange on this subject (Concluded on Page 2, Column 7).

What's the Matter With the Grand Trunk?

The Grand Trunk Railway of Canada is being dragged down to financial ruin by the Grand Trunk Pacific. No one can reach any other conclusion after reading the letter sent to Sir Robert Borden by Alfred W. Smithers, chairman of the Grand Trunk Pacific Railway, on Dec. 10, 1915. The Grand Trunk Pacific Railway does not earn operating expenses. Every year its interest upon its bonds has to be paid by its surties—the Dominion Government and the old Grand Trunk. The Dominion Government has to fork up four million dollars per annum, and the Grand Trunk \$2,750,000. The government cannot afford the strain, but the Grand Trunk cannot. The government, moreover, has a first lien so that it can take over the property at any time, but the old Grand Trunk is faced with the perpetual burden of paying \$2,750,000 per year for a dead horse. That we are not astray in estimating the liabilities will appear from Mr. Smithers' letter to Premier Borden, in which he says: The amount of interest guaranteed by the Grand Trunk Co. is about \$2,750,000 annually. The government, including that on the Grand Trunk Pacific, amounts to about \$4,000,000 per annum.

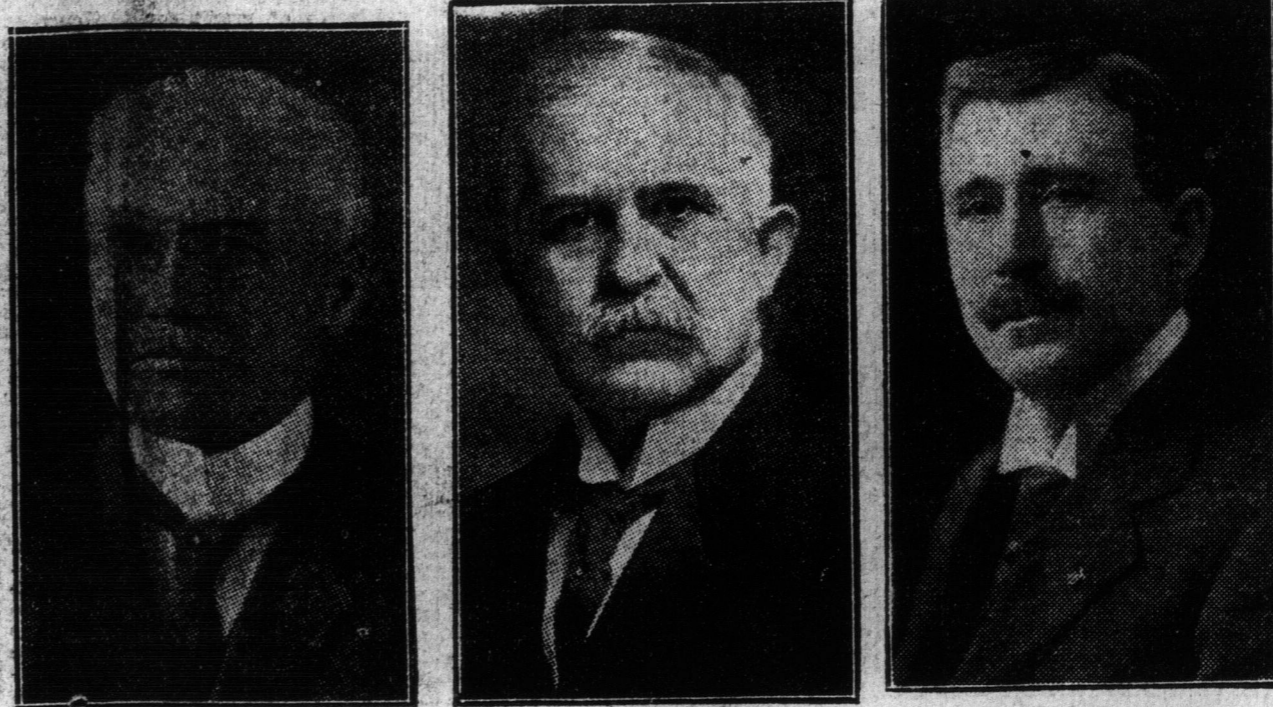
That the Grand Trunk is breaking down under the burden is beyond dispute. In his letter to the premier, Mr. Smithers says: We have done our utmost to meet the heavy financing which has been necessary and the difficulty of which has been immensely increased by the disastrous war conditions. We are now at the end of our tether with regard to Grand Trunk Pacific financing.

It is now proposed that the government should saddle itself with the Grand Trunk Pacific and all its debts, and at the same time "relieve the Grand Trunk Railway Company of all its liabilities in respect of the Grand Trunk Pacific Railway Company, its branch lines, its development company, and other subsidiary companies, and repay to the Grand Trunk Railway Co. any money advanced by the Grand Trunk Railway Co. to the Grand Trunk Pacific Railway Co., or its branch lines and development company and other subsidiary companies." These words are from Mr. Smithers' letter to Sir Robert Borden.

The old Grand Trunk owes seventy million dollars on account of the Grand Trunk Pacific, for which the government is in no way liable. It is proposed that the government shall, without consideration, make the Grand Trunk whole. In short, the government is to take over the Grand Trunk Pacific, assume an additional debt of seventy million dollars, and put the old Grand Trunk where it was before it entered upon the construction of the Grand Trunk Pacific.

For the Grand Trunk to offer the government the Grand Trunk Pacific and ask money, which it is now pursuing, unless and until the German Government renounces its assurances of the fourth of May and acts upon the assurance. I am, my dear Mr. Minister, etc.

CANADIANS WHO APPEAR IN DELAYED NEW YEAR'S HONORS LIST



BARON HUGH GRAHAM SIR ALBERT KEMP SIR WILLIAM HEARST

GOVERNMENT CALLED UPON TO TAKE OVER RAILWAYS

Representative Gathering of Toronto's Business Men Demand Immediate and Radical Action That Will Clear Up Coal Situation Once and For All.

Government control of the railways, an immediate increase in the output of hydro energy, and increased effort on the part of the Dominion Railway Commission to relieve traffic congestion were demanded in a resolution carried at a special conference summoned by the mayor at the city hall yesterday to discuss the coal situation. The conference was attended by representatives of the city council, the retail coal merchants, the C. P. R., the Longshoremen's Board of Trade, and Canadian Manufacturers' Association.

W. F. Maclean, M.P., proposed the resolution, which the meeting adopted. In speaking to it, he said that in England, under war conditions the government had taken over and co-ordinated its railroads almost the first day hostilities were declared. After three years of war Canada was running years of war Canada was running years and seemed content to leave it at that. The resolution, which the meeting carried, is as follows: In view of the inability of the railways to deliver coal sufficient to meet the needs of Toronto and other places of Ontario this meeting recommends that the Dominion Government take over the railways or portions of them in these times of war, as was done in Great Britain, and place them under the administration of a single board, the Railway Commission presided, so as to assure the greatest efficiency in service that such co-ordination and consequent operation and co-ordination would bring about.

THREE CANADIAN RAIDS DO DAMAGE TO ENEMY

Bavarians Suffer Setbacks in Attempts at Resistance—Dominion Artillery Conducts Much Successful Counter Battery Work.

London, Feb. 12.—The following communique was issued today by the Canadian war records office: Apart from three carefully planned and well executed raids, nothing of special interest has occurred on the Canadian front during the past week. Hard frosts have prevailed, and the cold renders the long nights more trying, the absence of mud makes it preferable to wet weather. There has been no abatement of our artillery activity, and much successful counter-battery work has been carried out in co-operation with the Royal Flying Corps. As a result the enemy's fire has shown a marked decrease during the past few days.

Gowns on Parade!

A newspaper reporter was cautioned yesterday not to take any notice of the gowns that were to be worn at the opening of the legislature this afternoon. The world's answer to this is that the ladies should not wear gowns in these war times that attract any notice of any kind, and especially the eye of the society reporter.

BIG REDUCTION TODAY IN MEN'S COATS.

Great reductions in Men's Fur Coats are the outstanding feature of the Dunce February Stock-taking Sale of Fur. Muskrat-lined Coats, with excellent tailoring and finish, choice of collars; regular \$60, for \$45. Black Russian Rat Coat, extra quality English beaver cloth shell, outer collar, size 42 inches; regular \$300, for \$250. One three-quarter lined Coat, select Canadian muskrat skins, outer collar; regular \$139, reduced to \$75. One Coat, Russian sabeli gins lining, outer collar, size 42 inches; regular \$300, for \$250. Two only Coats lined with Japan seal, sizes 38 and 40 inches; regular \$175, for \$125. W. & D. Dineen Company, Limited, cor. Yonge and Temperance streets.

BRITAIN STANDS DAILY GROWING STRAIN OF WAR

Allies Can Continue Fight Indefinitely, Bonar Law Tells Commons.

GREEK SKY CLEARING

Danger of Attack From Rear Much Less Than Short Time Ago.

London, Feb. 12.—In a stirring speech, Chancellor of the Exchequer, Bonar Law, declared today before the house of commons that England will, and is able to, continue the war indefinitely from every standpoint and that in matters pertaining to the financing of the needs of her armies, she towers high above her enemies.

KEMP AND HEARST GET KNIGHTHOODS

Sir Hugh Graham Raised to Peerage as a Baron.

OTHERS IN HONOR LIST

Captain Ed Martin of Halifax Given Title of G. C. M. G.

Ottawa, Feb. 12.—A cable from the colonial office to the Duke of Devonshire announces that the following Canadians have been honored by King George: To the peerage as a baron: Sir Hugh Graham of Montreal. To be knight commander of the most distinguished order of St. Michael and St. George: Sir George Kemp, minister of militia; Wm. Howard Hearst, premier of Ontario.

To be knight commander of the most distinguished order of St. Michael and St. George: Captain Edward Martin, superintendent of the Halifax dockyards. To be knights bachelor: Justice Walter Cassels of the exchequer court; Mortimer B. Davis of Montreal. In addition to Canadians mentioned, several prominent Englishmen are honored. Sir George Fildes, permanent colonial under-secretary, is made grand commander of St. Michael and St. George.

THOUSANDS VIEW CANADIANS AT WAR

Impressive Scenes of Soldiers in Action Shown at Regent Theatre.

WONDERFUL REALISM

Life at the Front is Seen Just as the Men Experience It.

Graphic beyond words are the views of the Canadian army in action, which had their premier showing yesterday at the Regent Theatre, and never were Toronto citizens moved to higher admiration for the men of Canada and the work they are doing at the front, than when they saw in actual reality, the men engaged in the daily heroism and labor of the war zone. The pictures were shown in an atmosphere that had been made receptive by the suggestive music of the fine orchestra of the Regent, under the direction of Jack Arthur, and during the entire display of the reel, the selections played were very helpful to the sentiment involved.

BRITISH MAILS.

The next British and foreign mail (via England) will close at the general post office as follows: Letters, ordinary matter only—Regular mail will close at 8.00 p.m. Tuesday, Feb. 12. Supplementary mail will close at 6 a.m. Wednesday, Feb. 14. Registered and parcel post mail will close at 8.00 p.m. Tuesday, Feb. 13.

WAR SUMMARY THE DAY'S EVENTS REVIEWED

THE British made another small but important advance north of the Ancre along the Beaumont-Puisieux road yesterday, taking 600 yards of trenches in a limited front. They made their progress without difficulty. This gain brings them closer to Puisieux, a village east of Serre, and a considerable road centre. They are driving another wedge northwest of Miraumont, forcing that position into the shape of an elbow, so that they can reduce Miraumont by pressure applied on both banks of the Ancre, the same as they did at Grandcourt. When Miraumont falls to them and they reach Puisieux, they can turn the strong position of Serre Hill, if it has not then already fallen to direct frontal pressure.

Altho despatches from the front still describe these operations as local, they have greater importance than lies on the surface. Before sweeping forward beyond Bapaume upon Cambrai and St. Quentin, the British army must have the ground cleared and prepared for a good start. Bapaume, which forms a nodal point in the German system of communications, is not, in the strict sense of the term, the British objective. When they reach it, however, they can hope to accelerate their progress, for they will be in more open country and their advances will then become big strides, perhaps, of 3000 to 4000 yards at a time.

The capture of positions on the south front of Serre Hill provoked a German counter-attack early Sunday night. The British caught the enemy by artillery barrage and machine gun fire and they easily repulsed this attempt. Their patrols also entered the lines of the enemy at a number of places, and southwest of Armentieres one raiding party blew up a German ammunition dump. The British batteries also carried out successful bombardments north of the Somme and near Armentieres and Ypres.

The Canadian record office issued an official communication last night on the work of the troops in the past week. The Canadian forces carried out three successful raids. Bavarian troops resisted them in two of the raids, but after fighting they forced their way into the trenches, and with bombs scattered the foes. They inflicted on the Bavarians much heavier casualties than they received. The Canadian artillery also did useful service in co-operation with an aeroplane, destroying two German guns.

INJURY TO LEG.

Gordon Toose, 20 Robert street, had his left leg injured when he fell opposite, 20 College street, last night. He was removed to the Western Hospital in the police ambulance.

(Continued on page 2 cols. 1 and 2.)

BOYS ATTENTION! A heavy worsted, pattern. Have side straps. \$3.50 trousers. Quality corduroy with five sizes 32 to 44. To clear at \$2.50. A neat pattern with any coat a grey with very fern, finished with rips. Sizes 32 to 44. Trousers, specially selected figures come a dark grey and in stripe pattern. Are made of tan and cotton blucher flum and English le weight. Good-rubber fibre outer in insoles. Sizes 7 to 12. Can make, button on shaped toes, wide toe with gull-kid leathers, peels. Sizes 2 1/2 every pair an un-