ots at r Pair

are made of tan tal, box calf and tton and blucher ium and English le weight, Goodubber fibre outer n insoles. Sizes kable values.

an make, button ous shaped toes, s' wide toe with tent colt, gunull kid leathers; neels. Sizes. 2 1/2 very pair an un-



nd decorations in slightly imperfect. ET SET, \$2.85. INIERES, 95c.



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VOL. XXXVII.—No. 13,243

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

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 proclama-tion of January 31, and that there would be no middle ground for compromise so far as this government was

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 wou'd be willing to suspend the blockade for the sake of keeping peace with this nation.

Flat Rejection. The memorandum and reply are as

"The Swiss Government has been the Grand Trunk Pacific Railway Comto say that the latter is, now as be-fore, willing to negotiate, formally or formally, with the United States, provided that the commercial blockade egainst England will not be broken

(Signed) "P. Ritter." This memorandum was given immediate consideration, and the following

"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 11st inst., that the govern-ment of the United States would gladly discuss with the German Govern. ment any question it might propose for discussion, were it to withdraw its proclamation of the 31st of January, in which, suddenly and without previous intimation of any kind, it and put the old Grand Trunk where it nationalize the Grand Trunk Pacific and cancelled the assurances which it had was before it entered upon the construction. given this government on the fourth 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 the fourth of May and acts upon the Pacific at any time it wants without pay-Government renews its assurances of assurance. I am, my dear Mr. Minis-

Minister of Switzerland.

No other exchange on this subject (Concluded on Page 2, Column 7).

What's the Matter With the Grand Trunk?

We see no refuge from bankruptcy for

the old Grand Trunk except nationaliza-

tion. That its stockholders would benefit

by nationalization, no one who reads Mr.

Smithers' letter to the prime minister can

Government to pay another dollar for the

Grand Trunk Pacific. If seventy million

dollars more is to be invested we must have something to show for the invest-

ment. With the Grand Trunk, the Grand

Grunk Pacific, and National Transcon-

finental, and the Intercolonial, we should

be able to construct a powerful national

We hear from Ottawa every now and

then that the Dominion Government may

take over the Grand Trunk Pacific. It

has little choice but to take it over; but

the public and pay its way unless re-

nual interest charge of \$2,750,000 on ac-

count of the Grand Trunk Pacific, under

pany's revenues. I considered that any such arrangement involving such increased Rabilities would so handicap the company's necessary power of financing as to render it unable to fulfit the ever-increasing demands of the public and public bodies—demands which could not possibly be met unless the credit of the Grand Trunk Railway Company was so maintained as to render possible the raising of fresh capital as required.

fresh capital as required.

bonus of seventy million dollars.

porate control. Once again the old game

is to be played if possible, which has been

so often played in Canada. Every line

that does not pay is to be taken over

The telegraph business of Canada i

divided on this principle between the

government and the private companies.

by the government, so that public own-

ership may be discredited.

writes to the prime minister:

railway.

The Grand Trunk Railway of Canada | It is this crushing burden that makes is being dragged down to financial ruin it imperative for the Grand Trunk to get by the Grand Trunk Pacific. No one can a final and immediate settlement with reach any other conclusion after read-ing the letter sent to Sir Robert Borden by Alfred W. Smithers, chairman of the No Discussion on Niceties of Grand Trunk 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 sureties-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 can stand 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: which he says:

The amount of interest guaranteed by the Grand Trunk Co. is about \$2,750,000 annually.

** The amount of interest guaranteed by the government, including that on the government loan of \$25,000,000, amounts to about \$4,000,000 per annual storage of the same of the sa

That the Grand Trunk is breaking down under the burden is beyond dispute. In his letter to the premier, Mr. Smithers

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 fi-

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 company, and other subsidiary com panies, 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 either take over the whole Grand Trunk is in no way liable. It is proposed that System, including the Grand Trunk Pathe government shall, without considera. tion, make the Grand Trunk whole. In short, the government is to take over the Grand Trunk Pacific, assume an ad- government long to make up its mind, ditional debt of seventy million dollars yet there is reason to believe that pressure and put the old Grand Trunk where it is being brought upon the government to tion of the Grand Trunk Pacific.

For the Grand Trunk to offer the gov. ernment the Grand Trunk Pacific and ask money in return is ridiculous. The government can acquire the Grand Trunk ing the old Grand Trunk a dollar, and after the government has acquired the "To His Excellency, Dr. Paul Ritter, Grand Trunk Pacific the old Grand Trunk will still be liable to its creditors on account of the Grand Trunk Pacific for

The government owns and operates telegraph lines on the north shore of the Gulf of St. Lawrence, where there is little or \$2.750,000 a year for all time to come. no business, along the Gaspe Peninsula and the wilds of Labrador. It also owns and operates telegraph lines in the re-Yukon, and, we believe, also in some parts of Cape Breton, where the private companies refused to build; in short, any-

> So in the railway world. The governthru the hinterlands of Ontario and Quetake over and operate the long, lean line the cold renders the long nights more Seskatchewan and Hudson Bay, or to of the Grand Trunk Pacific without trying, the absence of mud makes it branches or feeders in the prairies and preferable to wet weather.

Trunk, which gridirons the prosperous

where where the service must neces. sarily be conducted at a loss. But the

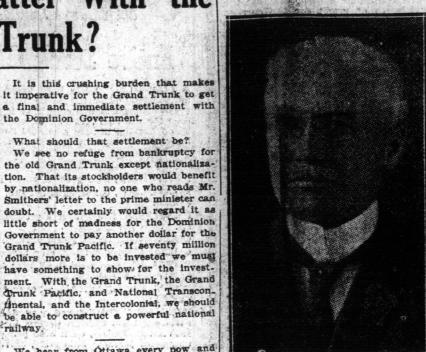
government never ventures to build a

the eastern townships of Quebec. The World believes the time has come Pacific, or permit them both to go into liquidation. We are tired of having all divide up the Grand Trunk, of which the but if there is to be any division we em. ed a house nearby. phatically object to the Grand Trunk

INJURY TO LEG.

Gordon Tooze. 20 Robert street, had in the police ambulance,

CANADIANS WHO APPEAR IN DELAYED NEW YEAR'S HONORS LIST



BARON HUGH GRAHAM

SIR WILLIAM HEARST

KEMP AND HEARST

Peerage as a

Baron.

Given Title of

G. C. M. G.

Canadians have been honored by King

To the peerage as a baron: Sir Hugh

Graham of Montreal.

To be knight commander of the most

To be grand commander of the most distinguished Order of St. Michael and

superintendent of the Halifax dock-

To be knights bache'or: Justice Walter Cassels of the exchequer court:

In addition to Canadians mentioned,

several prominent Englishmen are honored. Sir George Fiddes, permanent

colonial under-secretary, is made grand commander of St. Michael and

Sir Charles Wakefield, ex-lord mayo

Lycia Without Moment's

Warning.

GREEK STEAMER SUNK

Several Other Shipping Losses

Are Reported by Lloyd's

Agency.

London, Feb. 13.-Lloyds reports

L'oy's a'so announces the s'nking

Voltaire and British steamer Olivia.

The British steamer Lycia was a

Cunard I no vessel of 2,715 tons, built in 1896 at Middlesbrough, The craw

Members of the crew of the steam-

warning, a German submarine opened

Philadalphia, January 21, for Dun-

The Lyc'n was a stee' screw steamer

Naneteen members of the crew of

was saved.

Mortimer B. Davis of Montreal.

Mr. Smithers, in his letter, says that the Grand Trunk cannot continue to serve GOVERNMENT CALLED UPON what is to become of the Grand Trunk? TO TAKE OVER RAILWAYS lieved for all time to come from the an.

Representative Gathering of Toronto's Business Men De- Sir Hugh Graham Raised to He said that the average expenditure has reached £5.790,000 daily and that which it now is staggering. No temporary assistance, however generous, would be mand Immediate and Radical Action That Will of any avail, and in this connection he writes to the prime minister:

In the course of conversation, as an alternative, you suggested that the government might advance, by way of loan, sufficient money to supply any deficiency in the amount required to meet the fixed charges of the Grand Trunk Pacific Railway for a period of, say, five years, anticipating that at the expiration of that period the net earnings would be sufficient for that purpose. I replied that under present circumstances I did not think the Grand Trunk Railway Company would be justified in entering into any transement which would involve the accumulation of further Habilities against that company's revenues. I considered that any such arrangement involving such Clear Up Coal Situation Once and For All.

Government control of the railways, an immediate increase in the output of hydro energy, and increas d effort on the part of the Dominion Railway Commission to reiteve traific congestion were demanded in a resolution carried at a special conference sum-mon d by the mayor at the city hall yesterday to discuss the coal situation There were present repr sentatives of the city council, the retail coal mer-chants, the C.P.R., the Longshoremen, District Trades and Labor Council, Board of Trade, and Canadian Manu-

facturers' Association. W. F. Maclean, M.P., proposed the resolut on, which the meeting adopted. In speaking to it, he said that in England under war conditions the govern ment had taken over and co-ordinated its railroads almost the first day hos-So the Dominion Government must tilities were declared, After three years of war Canada was running System, including the Grand Trunk Pa-ciffc, or pay to the old Grand Trunk a ways and seemed content to leave it at that. The resolution, which the

One would not think it would take the meeting carried, is as follows:
government long to make up its mind, in view of the inab lity of the railways to diver coal sufficie t for the needs of Toronto and other places of Ontario this mae ing

First, that the Domirion 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 admini tration of a single board, the Railway Commission preferred, so as to secure the great st

efficiency in service that such consolidation and consequent co-operation and co-ordination would

bring about, Second, that the Ontario Government take all necessary steps to immediately increase the output of hydro-electric energy by te Hyd.o-Electric Commission, both for power and heat purposes.

Third, the the Dominion Rallway Commission in the meantime

be requested to increase its efforts to remove the coal and tra fic blockade from which the province now suffers. Politicians Were Present.

There was a curious twist to the afternoon's proceedings, and politics, while they did not figure openly, played a big part in the discussion. Mayor ister of mulitia: Wn Church, in the dual role of chairman premier of Ontario. of a more or less heated decate, and defender of the Dominion Government and railway board, had a strenuous afternoon. Representatives of the board of trade and Cantian yards. Manufacturers' Association, were not quite prepared to endorse anything as radical as even temporarily govern-ment owned railways, and refrained iron voting. To assist these gentle-men in their dilemma, Mayor Church was going to shelve the resolution, at the same time declaring he was in favor of its contents. James Simp-son and the labor representatives insisted there must be a vote. Upon the vote, Thomas Stevenson, James Simpson, Walter Brown, Controller Shaw and H. A. Harrington of the coal sec-(Concluded on Page 11, Column 3).

of London, is made a baronet. Ex-sheriffs Touche and Spead are made knights. These three men are wellknown in Canada, and recently presented a new mace to the Canadian

St. George.

BRITISH STEAMER SHELLED BY HUNS Submarine Opens Fire on the

mote parts of British Columbia and the Bavarians Suffer Setbacks in Attempts at Resistance -Dominion Artillery Conducts Much Suc-

London, Feb. 12.-The following raid, the party would have been jus-

and well executed raids, nothing of prisoner was captured and several ment is quite welcome to operate a line special interest has occurred on the Canadian front during the past week. Hard frosts have prevailed, and tho

crease during the past few days.

One afternoon an aeroplane located BIG REDUCTION TODAY IN MEN'S Aeroplane Spots Guns. government of the day to take over both two German anti-aircraft guns and the Grand Trunk and the Grand Trunk reported their position to our artifliquidation. We are tired of having all ed in a pit. Our batteries opened fire, the dead horses unloaded on the governand controlled by the aeroplane. On the paying lines. We are not going to his return the airman reported that both guns were destroyed, the latter with excellent tailoring and finish, fire on them reck'essly. One man as a man, expert in every line of by a direct hit on the pit, and the choice of collars; regular \$60, for \$45. was seriously injured and another action, and whether that be handling former by a fire which also demolished Black Russian Rat Coat. extra substitution both guns were destroyed, the latter with excellent tailoring and finish, Grand Trunk Pacific is an integral part, former by a fire which also demolish-

A newspaper reporter was cautioned that the Gre k steamer Agh'os Spy-

Great reductions in Men's Fur otter shawl collar; regular \$135, for last reported on her departure from first-aid ,the impression is always the

One three-quarter lined Coat, select kirk, France.

Two only Coats lined with Japan se the British tank steamer Saxonlan.

STRAIN OF WAR

Allies Can Continue Fight Indefinitely, Bonar Law Tells Commons.

GREEK SKY CLEARING

Danger of Attack From Rear Much Less That 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

GET KNIGHTHOODS high above her enemies.

The minister of the experience of the exper The minister of the exchequer had appeared before the commons to move the extension of the national credit. been necessary for the government to spend £4,200,000,000.

Despite this terrific financial strain, Bonar Law reclared that Great Britain OTHERS IN HONOR LIST is able to bear up under it far longer than can her enemies.

The feature of today's program was Captain Ed Martin of Halifax the introduction of two new votes of credit aggregating £550,000.000—one for 4:200,000,000 to cover expenses to March 31, the end of the present fin-ancial year and the other for £350.-000,000 to start the next financial year.

Greek Situation Better, ... In making advances to her allies, Ottawa, Feb. 12.—A cable from the chancellor continued. Great Britshire announces that the following whether it would be in the general interest. He emphasized the importance of co-ordination in every field, and said the conference at Rome had resulted in a decision in regard to the policy to be adopted toward Gre ce, which policy was now being followed. distinguished order of St. Michael and St. George; Albt. Edward Kemp. min-ister of militia: Wm. Howard Hearst, The object of that policy, said the chancellor, was to prevent the entente forces from bing attacked from the rear in the event of a German-Bulgar invasion. The entente commanders, St. George: Captain Edward Martin, he added, now are satisfied that the danger from that quarter is much less

> Another regult of the conference was greater naval co-ordination among the allies, especially in the M diterranean Bonar Law then explained that the

object of the conference of the allies (Concluded on Page 2. Column 4).

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 yesterday not to take any notice of the ridion, 768 tens, has been sunk by a actual reality, the men engaged in the daily heroism and labor of the war have been land d. but the captain and | zene.

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 eel, the selections played were very helpful to the sentiment invo'ved.

Among the most striking impressions left by the pictures is the wonderful skill that has been attained by the men in doing the things in which they are now engaged. Every boy who left Canada with the freshness and immaturity of youth upon him, is seen The Netherlee, 4,227 tons gress, was scaling the parapet or deftly giving

(Concluded on Page 4, Column 6). BRITISH MAILS.

The next British and foreign mail fvia kingland) will close at the general postoffice as follows:
Letters, ordinary matter only—Regular
mail will close at 9.00 p.m., Tuesday,
Feb. 13. Supplementary mail will close
at 6 a.m., Wednesday, Feb. 14.
Registered and parcel post matter
close at 5.00 p.m., Tuesday, Feb. 13.

* WAR SUMMARY *

THE DAY'S EVENTS REVIEWED

HE British made another small but important advance north of the Ancre along the Beaucourt-Puisieux road yesterday, taking 600 where operating a telegraph line is profit.

Canadian war records office. Ancre along the Beaucourt-Puisieux road yesterday, taking 600 where operating a telegraph line is profityards of trenches in a local operation on a limited front. They made able. 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 bec or thru the wilderness between the on both banks of the Ancre, the same as they did at Grandecourt. When Miraumont falls to them and they reach Pulsieux, they can turn the strong position of Serre Hill, if it has not then already fallen to direct frontal

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. * * * 8

The Canadian record office issued an official communication last night on the work of the troops in the past week. The Canadian forces carried company keeping all the tenderion and ed on two of the three raids under.

Out three successful raids. Bayerian troops resisted them in the successful raids. out three successful raids. Bavarian troops resisted them in two of the tossing the government a piece of the taken during the week. The first was carried out three successful raids. raids, but after fighting they forced their way into the trenches, and with flank. 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.

German submarine depredations have added only five small ships to his left leg injured when he fell oppothe previous day's toll, according to latest reports from London, up to site, 20 College street, last night. He was removed to the Western Hospital

(Centinued on page 2 sels. 1 and2)

THREE CANADIAN RAIDS DO DAMAGE TO ENEMY

cessful Counter Battery Work.

Full reports have now been receivon a small scale and was carried out by a party numbering 30, drawn from a battalion of Caneron Highlanders of Canada. At 4 a.m. two officers and a sergeant made a final reconnaisation of the sergeant made as final reconnection of the sergeant made as final re sance of the enemy's wire, and in do-ing so they were discovered and mink, sizes 38 and 40 inches; regular which was sunk Feb. 8 by a German submarine, we re rescued, according to a Central News report, Eight men perance streets.

Apart from three carefully planned and with such skill and dash that one (Concluded on Page 3, Column 3).

Gowns on Parade!

Vancouver, but it cannot be allowed to artillery activity, and much successing of the legislature this afternoon. The baye been land d. but the cantain and take over and operate the old Grand ful counter-battery work has been World's answer to this is that the ladies the remainder of the crew were carried out in co-operation with the should not wear gowns in these war drowned. and populous counties of old Ontario and Loyal Flying Corps. As a result the times that attract any notice of any kind. enemy's fire has shown a marked de- and especially the eye of the society re- of the British steamer Lycia, British stea ner Netherle, British steamer

COATS.

Ccats are the outstanding feature of er say that, without a moments the Dincen February Stock-taking fire on the Lycia. They rushed to their Sale of Furs. Muskrat-lined Coats, boats, but the Germans continued to quality English beaver cloth shell,

regular \$100, reduced to \$75.

One Coat, Russian sable gills lining, and owned by the Cunard Steamship