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 THURSDAY MORNING, SEPTEMBER 9

The Railway Rates Increase.

The public, already burdened with the ever increasing cost of living, will complain of the increased passenger and freight rates. So will many business men, municipalities, provincial governments, and shippers generally. No doubt there will be an appeal to the governor-general-in-council. The railway commission probably figured out the rates much as a schoolboy works out a sum in arithmetic. They were not concerned with the underlying question of public policy which sooner or later to be dealt with by the government and parliament. The commission certainly had no power to discriminate between the Canadian Pacific and the National Railways system. Uniformity of rates is the basic principle underlying the railway act. We have no doubt the roads made a good showing for some increase. The statement given out some months ago by President D. B. Hanna made out a strong case for the Canadian National Railways. If it were costing that system \$115 to produce the transportation for which patrons of the road paid \$100, something had to be done. The rates had to be increased or the government had to declare as a matter of public policy that the deficits in operating expenses would be paid out of the public treasury. Either the patrons of the road were to get service at less than cost or the rates had to go up.

On behalf of the Canadian Pacific it was claimed that under existing rates the company could not continue to carry working expenses, fixed charges, and the usual dividend for its shareholders. Conceding this to be true the fact still remains that much of this ten per cent stock replaced four per cent debentures. True the stock was sold at a premium, but an unnecessary burden was placed upon the earning capacity of the road. The railway commission had nothing to do with the fact, if it be a fact, that compensatory rates for the Canadian Pacific means excessive rates for the Canadian Pacific. The rates must be uniform, and if they result in excess profits for the Canadian Pacific that will present a problem calling for action by the government and parliament. The governor-in-council on appeal may modify the rulings of the railway commission, and we think the appeal should be pressed. Even the judgment of the commission be affirmed, the government may later on that parliament to relieve any unfairness to the shippers or to the general public by appropriate legislation.

Canada's Industrial Organization Must Be More Independent.

Serious problems engage the business men of Canada, and we trust also the earnest attention of our government. First the coal situation, about which the papers say little; they do not wish to unduly alarm the people or play into the hands of the profiteers. Not so much the hard coal which we import from Pennsylvania for domestic use, but soft coal produced in Canada, as well as in the United States, upon which the vast majority of our industries are dependent. The present shortage in coal causes under-production of basic materials like steel and cement. There is shortage in steel rails; also in structural steel. There is an under-production of cement, notwithstanding the eager demand for the same, due we believe, to the shortage of coal. There has been limited building this summer not so much on account of high prices, but on account of the uncertainty of getting building material at any price.

In the United States the car shortage, labor troubles at the mines, and the tendency of the railroads to grab and hold more coal than they need, explain in part the situation. A Canadian manufacturer may order coal, pay for it, have it loaded on the cars and started for the international boundary line, but at times he will find that the coal has been commandeered by the American railway company. He gets back his money with ample apologies, but he does not get the coal. The right of railroads to seize for their own use coal entrusted to them for transportation is sanctioned by the same law which permits the captain of a vessel to break into the hold and use all supplies that may be necessary for the safety of the vessel and the maintenance of the crew. Over a third of all soft coal mined is consumed by the railroads.

Now about our supply of soft coal in Canada? Little Nova Scotia coal found its way up the St. Lawrence this season, and it has never been considered economical to bring coal from Nova Scotia to Montreal by rail. Indeed, the Interprovincial has found it

cheaper to buy coal in Montreal and Quebec than to transport it over its own line. The transportation difficulties in the way of bringing coal from Alberta and British Columbia to Ontario and Quebec are almost insuperable, although we would not be surprised this winter to find the government financing a good deal of coal transportation from one part of Canada to another.

The government should ascertain the coal situation, to stimulate at once the transportation of coal from the maritime provinces and to prepare for the situation that would face us in case the United States further restricted or forbade export. The government should also find out why the highly protected and heavily bussed steel and coal companies of Nova Scotia are not turning out more steel. They certainly have the iron ore and they certainly have the coal. Is the shortage of steel and cement entirely due to shortage of coal, or is there a deliberate design to restrict production?

So much for the immediate present. But what of the future? How long can our factories in central Canada remain dependent upon the dole of coal from the United States? For how much longer are our domestic consumers to look for relief to Washington instead of Ottawa? Until we have some real industrial independence, we are largely at the mercy of the United States. Surely our one way out, our only relief, is to develop our water powers in a gigantic way so that the white coal of electricity may run our mills and perhaps heat, or help to heat, our houses. Nero fiddling at the burning of Rome was an intelligent patriot compared with those at this time throwing a monkey wrench into the provincial and municipal machinery for the production and distribution of electric power.

The Chippawa canal project should bring great results, but there should also be vigorous preparations to develop on a huge scale the enormous water powers of the St. Lawrence this side of the Ottawa. No quibble or feud between Dominion and provincial rights should stand in the way of this development. All along the line electric power should be generated until this province, the workshop of the Dominion, achieves industrial independence. Our sister province of Quebec is in much the same position as ourselves, and we believe will support Premier Meighan in putting through a big national policy of electrical development. To this end the minds of statesmen should be directed, for upon this achievement depends the future of Canada.

More coal production, better transport, more production of petroleum, and many other palliatives might be suggested, but the commanding need of central Canada is the development of a gigantic scale of electric current from the wonderful water powers to be found not only at Niagara and in the St. Lawrence, but all over Ontario and Quebec.

Another Attack on Public Ownership.

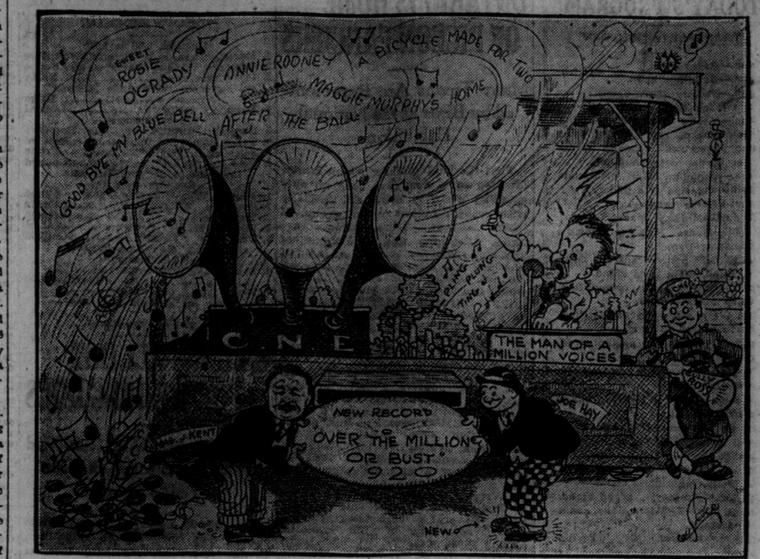
Respecting public ownership The Toronto Mail is generally willing to wound but afraid to strike. In its last deliverance, however, against government ownership and operation of railroads, it goes beyond anything ever attempted by The Montreal Gazette. We are told that the result of public ownership is always a deficit. Then it is explained that the government, presumably for the sake of party politics, will give the railway workers whatever wages they demand, and we read:

The British people are facing exactly the same general conditions as those on this continent—where union workers on the railroads force up costs on the general public, because the government officials who control the railroad finances have not had the courage or stamina to prevent the raids.

Now, as a matter of fact, the recent increase of \$600,000,000 in the wages of railway employees in the United States was not granted by government officials. The roads were long ago returned to their stockholders, and this increase was granted by the railway companies after an arbitration. In Canada the privately-owned Canadian Pacific yielded to the demand for higher wages no less quickly than did the officials of the Canadian National Railway system. Does The Mail say that the railway men should not have had their wages increased? Does it think the Dominion government should have precipitated a strike rather than increase wages? Does it think that no Canadian train man should ever be paid as much as an American train man for the same work? The opening gun in The Mail's attack on public ownership reads as follows:

Like the Canadian government railway system, and the American railroad system under government control, the British railroad system is having a deficit. Does this mean that deficits were due to government operation? The reader is certainly allowed to infer that the Canadian Northern would have earned operating expenses and fixed charges had it remained under corporation control, a claim no sane person would ever make in public. Does The Mail seriously say that the American railroads could have carried on at all had they not been taken over and built up by the government? But the whole attack is disingenuous. The government railway administration in the United States is re-

MAKING A NEW C.N.E. RECORD OUT OF A LOT OF OLD ONES.



proached with increasing passenger and freight rates, and all such increases are charged up to the cowardice or venality of government officials. Yet when the roads were returned to the companies, the companies lost no time in applying for higher rates. They are already charging 30 per cent more than was charged under government operation three months ago, notwithstanding generous financial hand-outs from the public treasury.

Remarkd in Passing.

The Board of Railway Commissioners must think the promised reduction in the price of bread is going a bit too far.

With no other job looming on the horizon, Mayor Church will probably try to stick to the one he has.

Now that women have votes, candidates for office will do well to avoid acting as judges at baby shows.

Newspaper reporters are told always to be sure of their facts. A certain Toronto editor would appear to be in need of the same admonition.

A fashion authority says new frocks are going to be waistless, sleeveless and shorter than ever. Here's hoping for a mild winter and a hot summer next year.

Whatever Canadians may have been in the past, if we are not loyal citizens of the British empire from now on, it won't be the fault of the visiting British press delegates.

The worst of us have some moments. Brisbane, Hearst's chief editor, has said "The English have actually a democratic government. We (the United States) have not." That man's going to lose his job some day.

A canal at the Indiana State Fair takes away from its moorings and imbibed ten gallons of pink lemonade at a nearby refreshment booth. It afterwards took fifty policemen to get him back to his stall. Indiana would appear to be a prohibition state.

On the Pacific coast they say high cost of fuel means a return to the use of sailing ships for freight-carrying. As far as Toronto is concerned it probably means a return to popularity of the old-fashioned warming pan that comforted the beds of our forefathers.

How much time and talk is it going to take to convince Canada's government that it is imperative that the millions of dollars' worth of electric power now running to waste in the St. Lawrence should be put to work in this coalless part of Canada?

Moved by R. J. Fleming and seconded by the Ontario Hydro Information Association, that the Railway Commission be appointed a board of arbitration to consider the question of raising Toronto's street car fares to ten cents flat.

OTHER PEOPLE'S OPINIONS

The World will gladly print under this head letters written by our readers, dealing with current topics. As space is limited they must not be longer than 200 words and written on one side of the paper only.

LAWYERS IN POLITICS.

Editor World: The announcement of the increased railway rates should awaken the Canadian public to the fact that Canada has for years been delivered over to our lawyers. Because the farmers hold power in Ontario, we hear much talk and much criticism of "class legislation" and "class consciousness." But for years we have had in Ontario government by the lawyers, of the lawyers, and very largely for the lawyers. Proof of this is found in the fact that, out of a recent Ontario cabinet of seven members, five had to belong to the legal profession. Let the public begin to inquire into the various commissions, inquiries, positions and jobs provided for the lawyers of Canada by their brethren in the Dominion and provincial cabinets, and the result will prove amazing.

For years we have had class legislation by lawyers, both in Ottawa and in the Ontario legislature, and the public has been tied hand and foot to the dictum of the legal profession. Was the recent decision of an ex-corporation lawyer-politician in favor of the railways.

Does any sane individual doubt that the Heaslet-Proudfoot-Ferguson combination did not utterly wreck the Conservative party in Ontario? Or that the ferocity of legal talent in Ottawa did otherwise of legal talent in Ottawa did otherwise of the guiding hands of Borden-Rowell, Carvell-Crean?

Still, the Conservative convention in Canada, since five years' experience, must

personally know people who placed at a great expense larger pipes with the hope of obtaining a greater flow in the house, but to no avail.

I think that the company should be compelled, as in the old country, to maintain a certain standard of gas, and instead of turning our meters with air, to give us gas or else put their hands into our pockets and take out whatever they like in the shape of dollars, as with the present supply and service this is what it practically amounts to today.

H. Parkinson.

GOES TO EUROPE TO SELL CANADA'S BIG FLAX CROP

Ottawa, Sept. 8.—R. J. Hutchinson, flax expert of the Dominion government, sailed Saturday for Europe to market 5,000 tons of flax fibre and 200,000 bushels of flax crop for Canadian producers. The flax crop in Canada is reported as being exceptional.

GRENVILLE GRITS TO MEET.

Brookville, Ont., Sept. 8.—The Liberals of Grenville riding will hold a convention at Spencerville on September 10, when a candidate will be selected to contest the federal riding.

QUEENSLAND ELECTION DATE.

London, Sept. 8.—The Queensland general election has been fixed for October 9.

POOR GAS SUPPLY.

Editor World: Reading in this morning's World re the poor quality of gas in the west end of Toronto, I might say that the same should apply to Toronto in general.

We in the east end have not had sufficient gas to boil an egg with, and especially on Sunday it is utterly impossible to get even one burner to light with sufficient gas to even heat, and the excuse offered by the company's officials is that the pipes are not big enough, but this is not the case, as I

THE HOUSE 'ROUND THE CORNER
 By GORDON HOLMES

CHAPTER I. (Continued.)
 "Who'd have thought anyone coming here today, of all days in the year?"

"Who's that with him?" Betty almost sobbed.

"The man who's going over the house, of course."

"Oh, dear! If only I'd known! I'd have taken the keys and gone with them!"

"What good would that have done?"

"I might have humbugged them into waiting a minute or two. I'd have thought of some excuse. But don't worry too much, mother. Maybe they'll give the least little look round and come away again."

"And maybe they won't," cried Mrs. Jackson angrily, for she was recovering from her fright, and her daughter's implied reproach was irritating.

"I did my best, and it can't be helped now, no matter what happens. Run after them, Betty, and offer to help, if you can't manage something, even now."

The girl needed no second bidding. She was there in a minute and out in a minute or more already, and the sturdy galloway was climbing a steep hill quickly. When she reached a garden gate to which the reins were tied, the front door of the Grange stood open and the visitors were inside.

"Oh, dear!" she breathed, in a heart-broken way. "Oh, dear! If only mother had called me sooner! Now it's too late! And I promised that no one should know. Well, I must do my best. Just a bit of luck, and I may pull things straight yet!"

CHAPTER II. SHOWING HOW EVEN A HOUSE MAY HAVE A WAY OF ITS OWN.

While Walker was fiddling with the lock, not being quite sure as to the right key, Armathwaite had eyed the southern landscape. Elm Dale was six hundred feet above sea level, and the Grange stood fully a hundred feet higher than the village, so a far-flung panorama of village, pasture, and woodland provided a delightful picture on that glorious June day.

To the north, he knew, stretched miles of wild moor, and the heather began where the spacious garden ended. A glance at the map in the Walkers' office had shown that this bleak waste was crossed by mere tracks, marked in the dotted lines which motorists shudder. Indeed, the very road leading to the house was not macadamized beyond the gate; two years of disuse had converted even the stone-covered portion into a sort of meadow, because grass, the sulkier of vegetables in a well-tended lawn, will grow luxuriantly on a granite wall if left alone.

Truly, Elm Dale seemed to be at the end of the world—the world of Yorkshire, at any rate—and Robert Armathwaite found its aspect pleasing. A lock clicked; he turned, and entered a domain he was now fully resolved to make his own.

"Well, I'm blest!" said Walker, speaking in a surprised way; "anyone 'ud think the place hadn't been empty an hour, let alone two years, not counting Mrs. Wilkins' couple of nights. I wonder who left these clothes, and hats, and things!"

He had good reason for a bare stare of bewilderment.

The door, which was stoutly built with a pane of sheet glass in the upper half, opened straight into a spacious dining-room and a drawing-room, each containing two windows. Behind the dining-room a wide staircase gave access to the upper floors, and a flood of light and variously-tinted light from a long arched window glowed at the dark panels below, and glistened on the polished mahogany case of the grandfather's clock which faced the foot of the stairs. The wall opposite the entrance was pierced by a large open door, thru which could be seen laden bookshelves reaching up the stairway, showed the only possible means of approach to the kitchen and domestic offices.

There were no pictures in the hall, but some antique plates and dishes of blue china were ranged on a shelf above the wainscot, and a narrow table and four straight-backed chairs, all of oak, were in tasteful keeping with the surroundings. On each side of the dining-room door were double rows of hooks, and on these hung the garments which had caught the agent's eye.

A bowler hat, a frayed Panama, a cap, a couple of overcoats, even a lady's hat and mackintosh, lent an air of occupancy to the house, which was not diminished by the presence of several stacks and umbrellas in a couple of Chinese porcelain stands. Walker took down the Panama. It was dust-laden, and the inner-band of leather had a clammy feeling. He replaced it hastily.

"That's the professor's," he said, trying to speak unconcernedly. "I remember seeing him in it many a time."

Armathwaite noticed the action, and was aware of a peculiar tinge in Walker's voice.

"Now, suppose we lay that ghost and have done with it," he said quietly. "Where did my worthy and respectable landlord hang himself?"

"There," said Walker, indicating a solitary hook screw thru the china shelf near the clock. "That breaks things" pointing to a Burmese gong lying on the floor, "used to hang there. He took it down, tied the rope to the hook, and kicked a chair away. . . . If you come here, and he advanced a few paces, 'you'll see why a ghost appears."

"Mr. Walker," bleated someone timidly.

Mr. Walker unquestionably jumped and quitted as unquestionably swore even when he recognized Betty Jackson, standing in the porch.

Continued Tomorrow Morning.

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