

The Toronto World

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WEDNESDAY MORNING, JAN. 23.

Patriotic and Red Cross Funds.

"Let your light so shine that men
may see your good works."

Most people can finish the quota-
tion. But they cannot repeat it
with a good conscience without put-
ting their hands in their pockets.
How much of a shine can you add
to that three millions?

Ice and Hydro Power.

Such a severe winter has not
before been experienced by the hydro-
electric power plants at Niagara
Falls. Those which have not be-
fore been incommenced by ice have
this year been interrupted by the
prolonged and severe cold. Both
the Canadian Niagara and the On-
tario Power Co. have suffered, while
one big plant on the United States
side has had to close down alto-
gether, taking 140,000 h.p. off the
supply. Twelve feet of ice has been
reported in the feed canal. Consider-
ing the difficulties the city has
escaped very well.

Turkey Failing.

It is evident now that the sortie
of the Goeben and the Breslau from
the Dardanelles was undertaken as
a forlorn hope after the break-up
of Falkenhayn's army thru the
wholesale desertion of Turkish
troops. The disintegration so evi-
dent here is symptomatic of what
is going on elsewhere in the Teutonic
ranks, and is more of a menace to
Germany than the demoralization of
Russia is to the allies.

The People Versus Privilege.

Political struggles in the past
have been between the classes and
the masses, between rank and com-
mon folk, between capital and labor,
between radical and conservative;
but the new movement will put these
all aside in a more definite recog-
nition than has yet been achieved of
the common rights of the people.
All the old contentions are involved,
but the central issue has been sim-
plified. It is the people against
privilege.

Privilege makes its claims in a
thousand ways, and they are all in
opposition to the square deal. No
man has a right to any privilege
that he does not earn. This is the
issue that is coming to the front in
England. Men of all ranks have
not fought side by side in four years,
slept hard thru four winters, lived
hard thru fierce campaigns and had
their comrades die hard beside them
without getting a bright light on
this question of privilege. The
women of all ranks who have worked
on a level in the munition factories
understand the point also.

The new electorate will have a
million and a half new voters, and
at least 800,000 women. This is
the basis on which the revolution in
Great Britain is moving.

Labor's New Range.

Labor is the important centre of
the political activities in Britain at
present, and Mr. Arthur Henderson's
statements indicate clearly
what is in the mind of the majority.
The Nonconformist vote, which is
very large, will be almost solidly
with labor, and against these will
be lined up all the interests and
classes which seek special privileges.
"The British revolution," says Mr.
Henderson, "will have the thoro-
ness of the Russian revolution, but
will avoid Russia's disaster."

One of the side issues disturbing
the British field at present is the
claim of the engineers to have spe-
cial treatment over other labor men.
On this point Mr. Henderson says:
"Political democracy will have no
patience with any party or leader
that seeks to serve the interests or
preserve the privileges of a class
against the common interests of all."

Whether there shall be an elec-
tion or not depends largely on the
pressure that any particular section
exerts to assert the possession of
privilege. Labor has found that the
term must not be confined to man-
ual industry. Mr. Henderson's state-
ment on this point should be well
digested by labor in Canada.

"Becoming a national party," he
says, "we broaden the definition of
the word labor to make it include
all who produce either by hand or
brain, as distinguished from the
classes that live on rent or interest,

without making any productive ef-
fort to add to the wealth of the
community."

Other People's Opinions

Why Should Coal Be Scarce?

Editor World: There has been a great
cry about coal being scarce and no coal
to be had. Now why should this be when
there is any amount of coal at the mines?
One trouble I am sure is that the coal
companies will not pay the mine laborers
fair wages. The companies are getting
nearly double the price per ton for their
coal and still expect the miner to work
for the same wages, which the miner
refuses to do. Then the companies put
up the cry, "Can't get men." The thing
seems to me to be easily remedied by
appointing a commission to get to the
mines to look into this outrageous state
of affairs and bring these mine owners
and companies to their senses. Then
we could get all the coal we required,
and we also have to pay a higher
price, which need not be, as the usual
price was \$7 per ton and if they pay the
men one dollar per ton more for mining
they could sell at good profit and I
would be away below \$12 per ton in the
city, but this cry of no coal is all
Tommyrot.

There is coal enough in the northwest,
by the surveyors' report, to last the Do-
minion for one hundred years to come.
And there are enough mines in opera-
tion now to supply the present demand,
and they can get plenty of men by pay-
ing them in proportion to their large
profits.

Transportation seems to be the trouble
also. If there are no cars the railways
should be made get them. A chartered
railway company is compelled to carry
freight and passengers, and the
trains could get the right of way until
enough coal is on hand to stay the
present suffering.

The government and the people own
all the mineral land in this country.
Why do not the government grant conces-
sions to the people, or develop the mines?
There have been millions of gold taken from
Yukon for foreign companies, and it is
being done at the present time. Why?
Echo answers, Why?

Canada is rich in gold, silver, cop-
per, iron, nickel and coal as any coun-
try under the sun. Why not make use
of all this wealth? We have had a
sample of the nickel being worked, but
how? Well, experience is a good teach-
er. In the name of Heaven get to
work; do it now; don't postpone another
four years. I should like to see you
a government get down to some busi-
ness."

E. N. Stave.

Early Closing.

Editor World: I, among many
others, am particularly pleased to
stand you have taken the early
closing and daylight saving bills. Keep
the good work up. I notice the retail
merchants of Toronto are taking up
the matter locally, but I think they
should go further and memorialize
the government to make it a bigger
measure. The shoe merchants of St.
Catharines tried this out some time
ago and got the bylaw passed thru
the council. One of the foreign store-
keepers (of whom you said in your
editorial of Thursday) whose sole
object in life is represented by their
store activities), took the matter up
and broke up the law. The judge
said the petition was insufficiently
signed. There are so many of the
other nations here in business that
we cannot get the 75 per cent. signa-
tures and the Toronto merchants
will bump up against the same
trouble. As a war measure, now is
the time for the United Government
to step in and make a light controller
to consider it is no interference with
the foreign storekeepers' liberty. It
becomes a question who is to run this
Canada, ours, Canadians or the
other of nations. We don't want to
oppress any one, but we should not
be oppressed by outsiders. Trusting
the results in these two movements
will be achieved.

One movement.

WESTERHAM HONORS
BIRTHDAY OF WOLFE

Birthday of Hero Commemorated
by Him by Placing Laurel on
Statue.

C. A. P. Correspondence.
London, Jan. 22.—In view of the
New Year's issue of "honors" to more
or less celebrated men in the United
Kingdom and the dominions, a good
story is being related of the way some
honors are bestowed. Being asked to
write the award of a K. C. M. G. to a
certain individual, a colonial officer
official said the man had been so per-
sistent in his visits to the office that
"We had to give him a title as a
fresh carpet, so we gave him the title
of official added."

Westerham, the quaint Kentish vil-
lage which prides itself on being the
birthplace of General Wolfe, has fallen
into the current fashion of retrench-
ment. The hero's birthday should
have been celebrated in a grand
banquet, as usual, but owing to the
food conditions there was no
ceremonial feeding. The anniversary
was marked by decorating the
village green, some of the laurel
coming from Quebec House, where
Wolfe lived at one time.
Major E. G. Benwell, Saskatchewan,
has been appointed permanent com-
mandant of the Canadian Discharge
Depot, Buxton, Ont. Lieut. R. O. Hawbury,
Canadian Trench Warfare School, and
Capt. A. M. Stroud, instructor at the
Canadian Signaling School, Lieut. F.
J. Airey, Engineers, is now assistant
C. A. T. D. vice, Lieut. S. H. Grant.

HIGH PRICES FOR FURS

Siberian Sable Bought at St. Louis
Fur Sales.

St. Louis, Jan. 22.—A Siberian sable
slightly larger than a man's hand,
was sold at the international fur auc-
tion here today, for \$250. Twelve
thousand Kolinsky were sold for a
total of \$15,000, and 352,000 mink
brought \$105,000. White fox pelts are
scarce. A thousand skins brought
\$35,000. A single cross fox skin
brought \$125. Siberian sables on sale
were heavily furred and New York
firms bought liberally.

HON. EDITH HOWARD ENGAGED.

London, Jan. 21.—The engagement is
announced of Lieut. Lord Constance
of the British navy, and Hon. Edith
Howard, daughter of Lord Strathcona.

BOLSHEVIK MINISTER FIRED AT.

Petrograd, Jan. 21.—An attempt was
made yesterday to assassinate M.
Ouzitzky, the Bolsheviki commissioner
of elections. A bullet fired at him
grazed his head.

The Globe Demands Ten Per Cent.
Dividends for C.P.R. Stock

Like Shylock's "still harping on his
daughter," The Globe keeps saying over
and over again that the stockholders of
the Canadian Pacific Railway Company
must be guaranteed a dividend of 10
per cent., whether the government takes
over the road for the period of the war
or acquires it for all time by nationaliza-
tion. No inquiry is to be made as to
how and why this corporation increased
its capital stock from \$65,000,000 to \$265,
000,000. We are simply invited without
investigation to assume and decide that
the stockholders of the Canadian Pa-
cific Railway Company are entitled as a
matter of right to receive a 10 per cent.
dividend in perpetuity. Ten per cent. is
all the stockholders receive now. They
may receive a great deal less in the years
of change that lie before us. The steam
railway, as we know it today, may be
as obsolete a few years hence as the old-
fashioned canal boat drawn by animal
power. The Globe, however, couples its
new-found zeal for railway nationaliza-
tion with the inflexible demand that the
stockholders of the Canadian Pacific
shall for all time to come receive a 10
per cent. dividend upon their stock.

The Globe reaches this conclusion by
an elaborate argument based upon that
clause of the original act respecting the
Canadian Pacific Railway Company,
which reserved to the government the
right to regulate the rates of the com-
pany whenever its earnings above oper-
ating expenses equaled 10 per cent. of the
capital invested in the construction of the
road. The word "dividend" nowhere
occurs in the statute. Parliament at
the time never dreamed of defining what
"dividends" the C.P.R. should pay to its
shareholders or what dividend those
shareholders should receive from the gov-
ernment in case of nationalization.

At that time we had no railway board
or general rate regulation. When the
railway board was established, it pro-
ceeded to regulate the rates of the Cana-
dian Pacific in common with the rates
of all other railway companies. The
C. P. made a formal protest and finally
submitted to the regulation with the un-
derstanding that this submission should
not be construed hereafter as an im-
mission by the company that its net
earnings had reached or exceeded 10 per
cent. of the capital invested in its en-
terprise.

This in passing. The point we desire
to make is that the value of the Cana-
dian Pacific Railway Company's enter-
prise and the amount which should be
paid to its stockholders for their equity
in the purchase of the railway, should be
generally or form by the public, and
should be understood, section of the original
C.P.R. Act respecting the power of the
government to regulate the tariff of tolls
to be charged in certain contingencies
by the company. The C.P.R. Company,
therefore, in buying out the
Canadian Pacific Railway Company the
government should proceed as in the case
of any other company. Quite probably,
instead of giving the stockholders a lump
sum it will give them a 10 per cent.
dividend upon their stock. Perhaps gov-
ernment consols will be given them in
exchange for their stock, and the inquiry
will then be limited to what rate of in-
terest these consols should bear.

The Globe says right after the fact that
they must bear 10 per cent., 4, 3 or
12 per cent., but precisely ten. We say
the rate they should bear must receive
careful consideration and be determined
upon after mature deliberation. At any
rate the so-called "right of first refusal"
in the original C.P.R. contract has nothing
on earth to do with the matter.

But there are many reasons why in
equity and good conscience the stock-
holders of the Canadian Pacific should
not receive a perpetual dividend of 10
per cent. upon their stock in case of
nationalization. A great deal of that
stock was issued, either to retire 4 per
cent. debentures or to raise money that
could have been secured in the open
market by the sale of 4 per cent. bonds.
This sale of high finance is so weirdly
fantastic as to be almost incredible. Yet
it was carried on in open day with only
one voice in this Dominion protesting and
that was a voice crying in the wilder-
ness.

We will not stop here to enumerate
in chronological order the stock "melons"
cut by the Canadian Pacific management.
Suffice it to say that for a number of
years it issued new stock and sold it at
par to shareholders, although such stock
would have sold for double that price
in the open market. To raise fifty mil-
lion dollars, let us say, the C.P.R. would
issue and sell shares of common stock
to its stockholders at par. Upon the
stock thus sold it promised to pay, and
as a matter of fact did pay, and is paying,
a 10 per cent. dividend. To raise fifty
million dollars it obligated itself to pay
five million dollars a year instead of
raising the money by 4 per cent. bonds
at a cost of two million dollars per year.

Such a melon was cut about 1909 when
Canadian Pacific Railway Company
issued its stock from \$150,000,000 to
\$200,000,000 and distributed the new stock
among its shareholders at a price be-
low its market value. It raised money
on ten per cent. stock which could have
been raised on four per cent. debentures.
The Laurier Government sanctioned this
high finance by a special order-in-coun-
cil, while the Globe swung its center in
obsequious silence. The one paper in
Canada to protest was The Toronto
World; the one man in public life to de-
nounce the transaction was Mr. W. F.
Maclean, M. P. for South York. Speaking
in the house of commons on February 2,
1909, Mr. Maclean said:

Can it be shown that the giving to
the Canadian Pacific Railway Company
of power to increase its capital stock
from \$150,000,000 to \$200,000,000 without
imposing conditions was of advantage to
the public? I intend that it is in the
public interest that such new capitaliza-
tion should be in the form of bonds,
and not in the form of stock. The
Canadian Pacific Railway Company
could borrow on bonds, probably at four
per cent., but if it floats stock, it ex-
pects to put aside in its net earnings
at least ten per cent. to cover the in-
terest on that stock. I propose also
to show that, if the company is al-

lowed to issue stock, that stock should
be sold to the public at the highest
price it will bring, and all the money
realized should be put into the treas-
ury. But the proposition, as I under-
stand it, is that the ancient and dis-
credited example of the American rail-
ways should be followed, and that the
issue of stock should be of the nature
of what is called "cutting a melon"
for the benefit of the stockholders.

In other words, this \$50,000,000 which
would bring, perhaps, 150 on the market
—it is quoted at about 175 and has been
as high as 200—shall be issued at par,
which will have the effect of dividing
\$25,000,000 taken from the people of
Canada among the shareholders of the
Canadian Pacific Railway Company, and
that this flotation shall be added to
the money on which the share-
holders are drawing seven per cent.
with prospects of still greater earnings.

I contend, therefore, that, especially
when a company is as well established
as the Canadian Pacific Railway Com-
pany, its issue of securities should be
in the form of bonds, but if stock is
to be issued it should be put upon the
market for what it will bring, and the
money used for the benefit of the road.

Mr. Maclean also pointed out that wat-
ering the stock of the Canadian Pacific
would have a tendency to increase the
cost and difficulty attendant upon the
railway nationalization that even then
he saw was inevitable. The company, he
said, was quite able to raise all the
money it needed by issuing four per cent.
bonds. If the C. P. R. had followed that
course its total capitalization might have
been as large as it is today, but all ex-
cept \$150,000,000 of that capitalization
would be represented by four per cent.
debentures. The Globe under such cir-
cumstances would still insist upon the
stockholders getting a ten per cent. divi-
dend, but it would be a ten per cent.
dividend upon \$150,000,000, instead of \$265,
000,000.

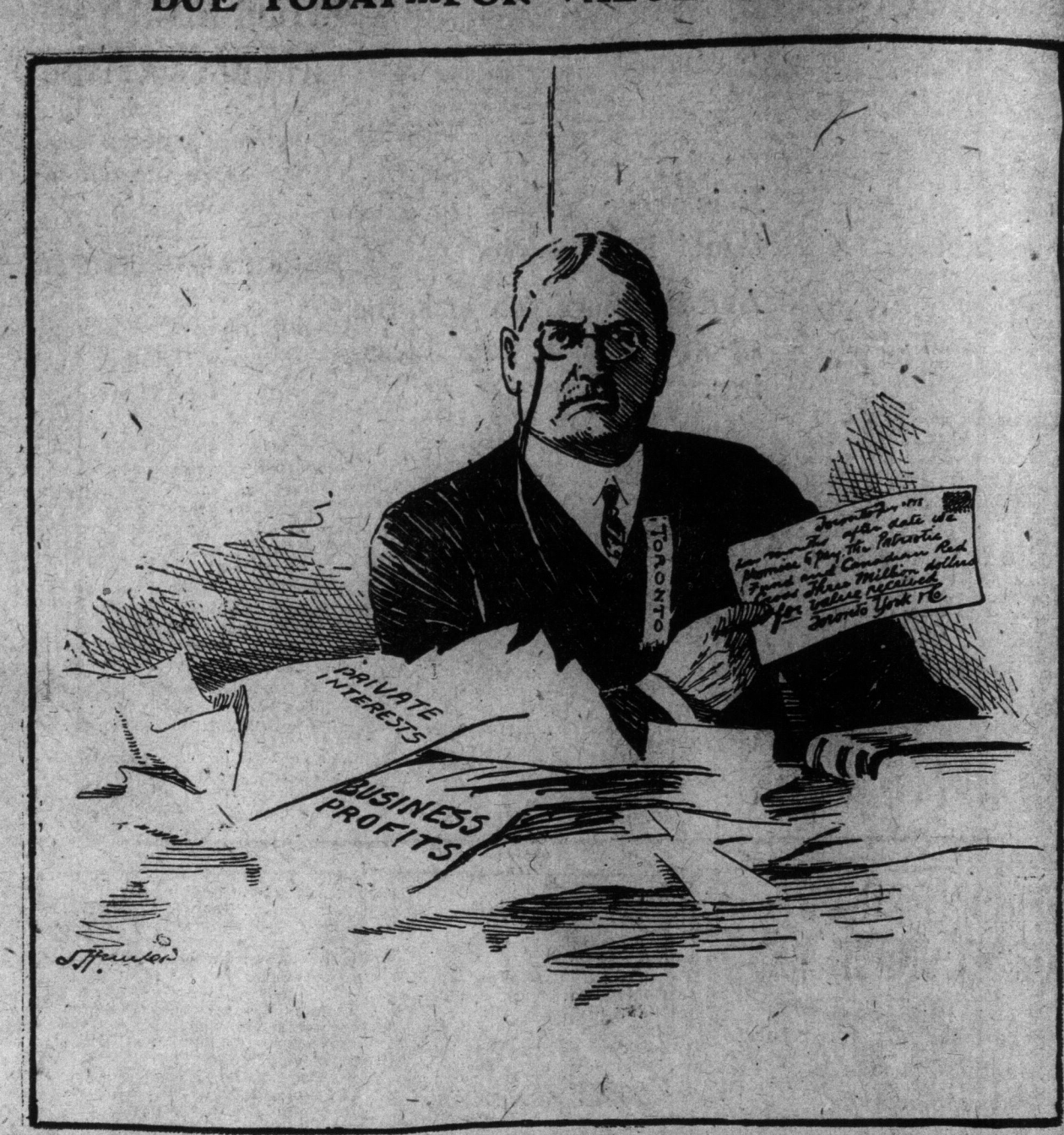
In the debate in the house precipitated
by Mr. Maclean in 1909 Sir Allen Ayles-
worth sought to denounce the government
and to get around the difficulty by say-
ing that the Canadian Pacific Railway
Company's plant would not be worth a
dollar more no matter how much it in-
creased its capital stock, and from the
report of his speech in Hansard we read:
"If I understand correctly the news-
paper discussions which are taking place
in certain parts of the country on this
question and the objection which is being
brought forward by the honorable member
for South York (Mr. Maclean), the only thing of which com-
plaint is made is that the company has
increased its capital stock, and that the
increase of capital is the disposition
which the company proposes to make of
distributing those shares among their
shareholders at a figure less than the
par value of the shares. The Canadian Pa-
cific Railway stock is bought and sold
by the public. Now, that is a question
in regard to which it seems to me un-
necessary that I should express any
opinion one way or the other. I shall
not discuss it beyond stating this: That
no device of this nature which a com-
pany can apply to its financial and in-
crease the amount of its wealth."

We may pursue this subject further on
a future occasion, and since that wild
orgy of speculation which ran C.P.R. up
to 283 in 1912, also it fell to 127 in 1913.
But, according to The Globe, it makes no
difference whether the stock sells for 127
or 283. Whether the road is capitalized for
\$65,000,000 or \$265,000,000, no matter what
happens, rain or shine, come day, go day,
the C.P.R. stockholder must get 10 per
cent. from the people of Canada, world
without end, Amen. We are not prepared
to swallow this without looking, and we
are not quite sure why The Globe is so
anxious to "down the throats of the
people of Canada." We say again,
in the house of commons and thru the
columns of The Toronto World protested
against the frenzied, finance of the
Shaughnessy management of the Cana-
dian Pacific Railway Company. If his
words had been heeded, the capital stock
of the Canadian Pacific Railway Company
would be nearer one hundred million than
two hundred and sixty-five million dollars
today. Unfortunately, his warnings fell
upon deaf ears. The Globe, we believe,
par to shareholders, although such stock
would have sold for double that price
in the open market. To raise fifty mil-
lion dollars, let us say, the C.P.R. would
issue and sell shares of common stock
to its stockholders at par. Upon the
stock thus sold it promised to pay, and
as a matter of fact did pay, and is paying,
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issue of stock should be of the nature
of what is called "cutting a melon"
for the benefit of the stockholders.

SNOWSTORM CUTS OFF
COAL FOR NEW YORK

New York, Jan. 22.—Unless New
York City gets immediate shipments
of coal, all the good accomplished by
the five-day industrial closing order
will have been nullified by the six-
inch snowfall which demoralized the
movement of barges and trains to-
day, fuel administrators declared to-
night. They united in expressing
grave concern over what they term
"another critical turn in the city's coal
situation."

After it had been notified that the
federal fuel administration had de-
clined to accede to his request for the
pooling of anthracite coal by rail-
roads having their terminals in this
district, A. H. Wiggin, state fuel ad-
ministrator, sent the following tele-
gram to Federal Administrator Gar-
field:

"Our suggestion for pooling is to
meet emergency situation. What we
want is coal. It is not coming. Take
any means you please, but send coal
to New York."

A statement issued by Rev. J.
Schley, New York county fuel ad-
ministrator, said that less than 20,000
tons of anthracite had reached the city
during the last 24 hours, and
"that the storm had about put the
finishing touch on conditions."

The weather has about nullified
all the good the closing order has ac-
complished," Mr. Schley declared.
"The docks are tied up, the shipping
across the bay is almost at a stand-
still on account of the storm, and it
is a question as to whether general
industry will be sufficiently supplied
with fuel to begin operations tomor-
row."

Ottawa, Jan. 22.—The first airplane
engine manufactured in Canada was
successfully tested in Toronto yes-
terday, according to a telegram re-
ceived by Sir Joseph Flavelle, chair-
man of the imperial munitions board.
A thousand of these engines will be
delivered and installed in the com-
pleted machines this year.

AUSTRALIAN LABORITES
SET ON PREMIER HUGHES

Ministerial Member Also Accuses
Leader of Being Unpopular in
Commonwealth.

Melbourne, Jan. 22.—After a meet-
ing of the Laborites to discuss the
condition proposals, Hon. Frank Tur-
ner, leader of the opposition, stated
that there was not the slightest pos-
sibility of agreement between the op-
posing parties.

In the course of the censure de-
bate in the house of representatives,
Mr. Fowler, ministerialist, declared
tens of thousands of votes were not
against conscription, but against
Premier Hughes, who had created a
spirit of bitter antagonism which had
hitherto been foreign to Australia.

HAD VIOLENT ATTACKS

Count Von Luxburg Removed to Quiet-
er Surroundings in Suburbs of
Buenos Aires.

Buenos Aires, Jan. 22.—Count von
Luxburg, the former German minister,
who was placed some time ago in the
German hospital here because of his
mental condition, has been removed
to the suburbs where the surroundings
are quieter than those of the hospital.
Several violent attacks with which
Count von Luxburg has been seized
during the last few days are said to
be leading his physicians to fear for
his recovery.

Gen. Sir Beauchamp Duff Died
Of Overdose of Sleeping Potion

London, Jan. 21.—Testifying today
at the coroner's inquest into the death
of his father, General Sir Beauchamp
Duff, commander-in-chief of the British
forces in India from 1913 to 1914,
who was found dead in bed Sunday
morning, a son said that the general
had been greatly affected by an ad-
verse reference to him in the report
of a commission appointed to investi-
gate the Mesopotamian campaign and
that the general had been busy prepar-
ing an article in his defence.

The jury found that the death of
General Duff was due to an overdose
of a sleeping potion, taken to induce
sleep.

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Exclusively
from
Malt
and
Hops



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YOU get the true taste of the
hops in Imperial—that mellow
tang that has made O'Keefe's
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IMPERIAL
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A brew for every taste—and every
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Eiderdown

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Eiderdown
quilted and
covered in
borders to
bed sizes.
In trans-
port are now
prices.

Wool

We are
of fine
best main
You can
before price
in single
white or
now.

Automobile

Comfortable
panda cars
are shown
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Viyella

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