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\$9,000
Five houses; rentals \$900 per year;
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38 King Street East.
51

PROBS: Westerly and southwesterly winds;
mostly fair and moderately warm.

The Government and the Melon

The Borden government must assume responsibility for the conduct of the Canadian Pacific Railway in connection with its stock issue. One of the most barefaced jobs that were ever perpetrated against the Canadian people is now being perpetrated by that railway. It is issuing stock in a way so as to distribute 60 millions of dollars as a melon among its shareholders, and the perpetual cost of the interest on which melon stock ever met by the people of Canada who pay railway rates to the Canadian Pacific Railway. It is true that the Canadian Pacific pleaded that such an act on their part is legal and within their right as set out in a certain act of parliament. The thing may be legal, but it may not be just, and the Canadian Pacific Railway now and ever is bound in the interests of justice to do fairly by the people of Canada who are its partners in carrying out the franchise of that railway, a railway, too, largely built and instituted at the cost of the people of Canada themselves. To issue watered stock or to issue stock or raise money by a process that involves unnecessary interest, is a crime against the undertaking, and this is what the Canadian Pacific is doing.

True, Sir Thomas Shaughnessy says it is a good thing for his shareholders. We say it is a bad thing for the people of Canada, who are partners with those shareholders in working out the franchise of that railway.

There may be certain rights of the Canadian Pacific Railway, as set out in one statute, but there are also certain rights of the Canadian people set out in the original statute creating the company and giving the franchise, and those charter rights call for only such financing as will not be a burden on the railway and company as a transportation undertaking.

The government cannot allow what the company proposes to do, without protest and without intervention. If they cannot intervene one way, they can intervene in another. All-powerful as a railway may be, parliament is still more powerful, and a dozen ways may be found to punish the shareholders for the wrong they are doing to their partners, the people of Canada, in connection with the franchise which was entrusted to them, and to build, equip and run a continental railway for the joint benefit of both, and not for the advantage of one party alone.

Just for a moment, let us show what the company is actually doing. It is putting out \$60,000,000 of common stock worth \$25 on the market at \$175, and getting therefor \$105,000,000. A 10 per cent. dividend on this \$60,000,000 costs the public in railway rates \$6,000,000 a year. A four per cent. interest on \$105,000,000 of debenture stock—and the railway would have no trouble in floating such—bears an annual charge of \$4,200,000, which is \$1,800,000 less than the other transaction. That is, for Sir Thomas Shaughnessy to distribute a melon of \$60,000,000 among his shareholders and without the consent of the other partners, the people and parliament, is to put on the other partners in the transaction an unnecessary and uncalled for expense of \$1,800,000 a year forever; this amount must come out of the tolls of the road collected from the public.

The money is stolen from the other partner; the other partner's consent is not obtained; and must the government of the day stand by and say nothing? We say that this must be arrested in the act and restitution forced; and if Sir Thomas Shaughnessy thinks he can do a thing like that he is now doing and continue in that career, and continue coming to parliament for favors, all we have to say is that he is very much mistaken, and it is up to the government of the day to see that he is mistaken in the buccaneering policy which he is now attempting.

Sir Thomas Shaughnessy has got to go straight in this country, as well as other people, and so have the shareholders of that great company, and they have to respect the rights of the Canadian people, who are interested in that railway just as much as they are.

And now we must tell Mr. Borden and his government something more. They are in power because they saw fit to oppose the proposition of the wider market of the United States involved in the reciprocity deal. We took the same position. One of the advantages that was held out to the people of the west in favor of the reciprocity deal was not only wider markets, which were more or less mythical, but much cheaper freight rates, which, to our mind, was a substantial and undeniable fact. The World believes that, inasmuch as those who opposed reciprocity had more or less desired, then the people who opposed reciprocity are at least bound to see that every possible advantage in the way of transportation is conceded to the people of Canada. This act of the Canadian Pacific today means that the freight charges unnecessarily onerous in this country, so that if the Borden government allows such an act of plunder as is now proposed, to pass without objection then the people of the west will say: "You have deprived us of the wider markets, which at least promised us transportation relief, and you have on the contrary allowed the Canadian Pacific to still further grind us by stock-watering of the most contemptible and dishonorable kind." The one offset, and a much greater offset, to the pretensions of the wider market of the United States is improved transportation treatment. Does the cutting of the melon improve transportation treatment of the people and of Canada? What the Canadian Pacific has done is a wrong against every citizen of Canada, not only those of the west, and it is a wrong that permitted now will only become doubly aggravated in the future.

If the Borden government did, and establishing the precedent that the cutting of melons at the expense of the public is an underlying principle of railway administration in Canada.

SCHOOL BURNED NEAR SCARBORO

Eight Thousand Dollars' Damage Caused When Two-Storey Brick Building Was Destroyed.

A two-storey brick schoolhouse on Danforth road, about a half mile east of East Toronto, in section 12, Scarborough Township, was totally destroyed about midnight by fire, causing a loss of about \$8000. Incendiarism is believed to have been the cause of the outbreak. W. Kelly of Lakeview avenue and Danforth road telephoned the alarm to East Toronto fire station, but before the brigade was on the scene the building was practically razed. About one hundred children have attended the school.

PRINTERS WILL APPEAL

Do Not Favor Agreement Signed by Local Board of Arbitrators.

By an almost unanimous vote, the printers employed on the Toronto morning and evening papers decided last night to appeal to the international board from the decision of the local board, which arbitrated the wage question with the newspaper proprietors. The local board made an award of an increase of 42 cents per hour, but the men have decided to appeal against this.

An International Success.
The greatest success ever scored by a musical comedy organization from this side in England was scored by "The Pink Lady" Company, who played twenty weeks at the Globe Theatre, London, during the past summer. The same company will be at the Princess here next week.

TIMBER LIMITS HAVE BEEN SOLD

J. J. McFadden, of Renfrew Will Pay \$13.26 a Thousand for Pine and \$3.08 for Spruce.

The tender of J. J. McFadden of Renfrew, Ont., for two timber limits in the Township of Jocko, New Ontario, has been accepted by the Ontario Government. Mr. McFadden will get the timber rights for practically the entire area of this township. He will pay the government \$13.26 a thousand for pine and \$3.08 for spruce. The government collects \$2 a thousand as timber dues.

TAFT FROZEN OUT IN CALIFORNIA

SAN FRANCISCO, Oct. 3.—(Can. Press.)—President Taft will be without representation from California in the electoral college, and not a vote for him can be cast in the state, unless it be written in, following a decision by the state supreme court today under which electors pledged to him cannot appear on the November ballot as Republicans.

Dineen Hats for Men are Best.
The Dineen Company were established in Toronto in 1894, and since that date have been dealers in select hats and furs for men and women. It seems natural that their lines in men's hats would be exclusive, and they are. The Dineen Co. are sole Canadian agents for Henry Heath of London, England, and Dunlop of New York, besides being distributing agents for many of the other big makers. All the new designs are now on view at the Dineen show rooms, 140 Yonge street.

WOMAN BADLY INJURED WAS STRUCK BY MOTOR WHILE RIDING IN BASKET

Refused to Go to a Hospital—W. J. Gay Took an Overdose of Laudanum—Edward Blair Died of Injuries—Woman Thrown From Street Car—Minor Accidents.

Mrs. Wm. Brown of Woodville avenue, Toronto, was so seriously injured that her recovery is doubtful and her husband also received several nasty cuts about two o'clock yesterday afternoon when a motorcycle collided head-on with a motor car at a sharp curve just west of the Mimico Creek on the Lake Shore road.

The car was traveling at a rapid rate toward the city on the newly-paved road. In it were at least two men and one or two women. When the motorcycle was about to round the curve a motorcycle carrying two passengers was seen. Before either machine could be stopped they met.

The occupants of the motor and side basket were thrown several feet in the air. An unconscious woman Mrs. Brown was conveyed in a carriage to the surgery of Dr. Godfrey and Ricker a few blocks west of the curve.

Dr. Carman Ricker rendered first aid and recommended that the patient be taken to a hospital. To this the men would not consent. The doctor saw that the woman was very seriously injured and impressed this on her escort. The man stated that they were strangers in the city and he did not wish her to be taken to a hospital.

After treating the injuries as well as possible under the circumstances the doctor could do nothing else than allow the man to take his wife away in a passing motor car. He did not care to give any name or address and paid cash for his services.

As they were leaving, Dr. Ricker again advised the man that he should have the lady taken to a hospital in an ambulance, but his advice was not heeded. The man himself also needed attention.

The injured woman was not taken to any hospital, and the doctor cannot trace them.

Overdose of Laudanum.
Nothing could be done to save the life of W. J. Gay, age 38, an Englishman, who was found unconscious in his room at 158 St. Patrick street, yesterday morning. For fifteen minutes Dr. Herbert Adams attended her. Just how badly she is hurt the doctor is as yet unable to say. Her head is out and his advice is that she should be taken to a hospital.

The young woman had just boarded a street car near the corner and was sitting on the end seat. As the car joined in starting the brass hand-grip on the edge of the seat gave way, throwing the girl to the pavement.

Hurt by Bicycle.
E. Ricker, 1 Erie st., was knocked down by a bicyclist at the corner of Queen and Givens streets about seven o'clock last night. He was taken to his home in the police ambulance suffering from injuries to his left leg.

Collapsed in Subway.
Frank Moore, age 22, who lives at 312 Dufferin st., collapsed in the Queen st. subway yesterday afternoon at two o'clock from heart trouble. He was taken to the Western Hospital.

Fell From Tree.
Master George Wild, age 9, 92 Markham street, fell out of a tree near his home yesterday afternoon at 2:15 and broke his left arm. It was set at the Western Hospital and he was taken home again.

WILL MOVE TO RESCIND C.P.R. "JOKER" CLAUSE WHEREBY PUBLIC SUFFER

Opinion at Ottawa is That Company Has Technical Right to Carry Out New Financing and That the Only Recourse is to Prevent Further Melon-Cutting.

OTTAWA, Oct. 3.—(Special.)—The chief topic in financial, official and political circles here today is the claim made by the C. P. R. of power to issue additional stock without an order-in-council or sanction from the present government. The clause, which is of a "joker" variety, is contained in a statute passed in 1902 and which apparently had been forgotten or overlooked. The best legal and ministerial opinion here is that while the proposed issue is outlined by Sir Thomas Shaughnessy is legal, the company will in the case of a demand for further issues, be compelled by law to come to the government for its sanction.

The legislation under which the stock is being issued is contained in chapter 35 of the acts of 1892 as follows: "The company being first authorized so to do by a vote of at least two-thirds of its shareholders, present or represented at a special meeting, may at any time issue ordinary shares of capital stock in lieu of consolidated debenture stock, and whenever it shall so then the right to issue consolidated debenture stock shall cease."

Move to Rescind Clause.
Already the question is being asked why such a clause cannot be rescinded and that a movement will be made to that end this coming session there can be no doubt.

The facts relating to the issue of the new stock as understood here are as follows: In August last application was made to the government by the Canadian Pacific Railway for authority to issue an additional \$60,000,000 of stock. This application was never dealt with by the government, and, of course, no arrangement or agreement governing terms or price or condition of issue was reached. So that the present situation is that the C. P. R. has gone, or is going ahead to issue the stock without further consulting the government or awaiting the sanction or otherwise of its stockholders.

There were two ways in which the Canadian Pacific could obtain the additional money. It could put out 4 per cent. debenture stock, which in these days of cheap bonds, could be sold at nearly at par. This would have given it cash nearly to the amount of the increase in its obligations, and would have been good financing. The directors, instead, instead, that use should be made of the power conferred on the company by parliament to issue ordinary shares and that they should issue the stock at a premium of 75 a share. By this means the company's treasury will receive \$105,000,000 for the \$60,000,000 which will be added to its capitalization.

Public is Ignored.
Therefore, the application which has been made to the government has not been passed upon favorably or unfavorably.

When the last C. P. R. stock increase was issued, it was by an order-in-council. It was issued at not less than par. The market price of the stock at that time was 200, and the new stock was issued at 150.

The situation which has been created is the subject of much unfavorable comment, the general opinion being that unless the clause which gives the corporation power to increase its stock, in defiance of the wishes of the people, is wiped from the statute book, the people really do not rule.

THIRTY TURKS KILLED.

LONDON, Oct. 3.—(Can. Press.)—Serious fighting between Turkish and Serbian soldiers is reported here today to have occurred on the southeastern frontier of Serbia. In a despatch received by a news agency here from Belgrade, The Turks are said to have lost 30 killed and many wounded, while the Serbian casualties are given as two killed and eighteen wounded.

A detachment of 300 Turkish soldiers, according to the despatch, crossed into Serbian territory and in the neighborhood of the town of Yanya, encountered a body of Serbian infantry. An engagement ensued which lasted an hour.

ACCUSES BORDEN OF SURRENDER TO C.P.R.

Winnipeg Tribune Declares the Government Has Apparently Countenanced Stock Issue, and Challenges Hon. Robert Rogers to State His Stand on Crime Against West.

WINNIPEG, Oct. 3.—(Special.)—The Winnipeg Tribune (Ind. Liberal) today says editorially:

"In the face of the protest of the Canadian nation as represented thru the newspapers the Borden government has apparently given its consent to one of the greatest 'melon cuttings' in the history of the world.

"The Toronto World has been classifying the papers of Canada as they stand on the matter of the C. P. R. melon," says the Tribune, adding that The World has placed The Winnipeg Telegram in the wobbly list, and concludes by saying:

"The Telegram is as much the property of the political bosses as the boots they wear. It is the voice of Sir Rodmond P. Roblin, and the voice of Hon. Robert Rogers, the man supposed to be in the Ottawa cabinet to guard the interests of the west.

"Let the electors of Macdonald ask Mr. Rogers what stand he takes on this 'melon cutting'.

"Ask him if he thinks it right to remain silent while his colleagues in the cabinet consent to the distribution of some \$60,000,000 to C. P. R. shareholders by this grand gift scheme in connection with the hidden assets.

"Is he a representative or a misrepresentative?

"He should be closely questioned on the platform."

An Informal Consent?

The Tribune in a front page article on the C. P. R. 'melon cutting' this afternoon also says:

"There seems to be scarcely a shadow of doubt that the Borden government has, in effect, if not by official action, given its consent to the \$60,000,000 C. P. R. issue. The C. P. R. increased its stock in 1902, 1904, 1906, 1909 and 1910, and in each case it made formal application to the Dominion Government. This required authorization by an order-in-council. Prior to 1903 the C. P. R. could not issue capital stock without securing the consent of parliament by a bill, but in that year the government took power by statute to grant authorization by order-in-council. It is very unlikely that the company has now undertaken to reverse the procedure of the past twenty years on the strength of some legal technicality."

BIG RUSH IN \$5000 CONTEST

First Proverb Reprinted Today With No. 2, So All May Enter on Equal Basis.

The great contest is on. It opened with a rush.

Thousands of persons from all parts of the city and surrounding vicinity, entered with the first proverb picture yesterday, and are now enjoying the fun for solving the fascinating and entertaining proverb pictures.

The demand for additional copies of The Toronto Daily World was large, and yesterday's edition was quickly sold out. Hundreds of people called up over the telephones and personally at the office to secure extra copies of The Daily World, containing the first proverb picture, and a copy of the valuable proverb book which was also placed on sale at The World Office.

Many people complained of the inadequate supply of Toronto Daily Worlds at the many different news agencies and street news stands. Even from the outlying districts there came rumors that in many instances, it was impossible to secure copies of The World containing the first proverb picture. As a consequence the circulation department has made special arrangements with the newsmen, and with this issue of this paper newsmen everywhere will have a very much

Continued on Page 2, Column 2.

FIGHTING HAS BEGUN ALONG FRONTIER THO WAR ISN'T DECLARED

Balkan Armies, Eager for Conflict With Turks, Cannot be Restrained While Diplomats are Conferring—Porte Thinks That Its Moderate Attitude Should Command Sympathy.

LONDON, Oct. 4.—(Can. Press.)—An engagement has occurred south of Harmanli, a Bulgarian town, 37 miles north of Adrianople, according to a Constantinople despatch to the Exchange Telegraph Co. The casualty list is placed at 400 killed.

LONDON, Oct. 3.—(Can. Press.)—Hostilities between the Balkan states and Turkey have already commenced, according to reports from many quarters tonight. A despatch to the Russian government says that the Bulgarians are crossing the frontier.

Military action has thus outstripped slower footed diplomacy, for no ultimatum has yet been presented to Turkey, and in Constantinople none is expected until Monday. The Porte, however, has sent an official notification to the powers, which reads:

"In view of the manifestly aggressive attitude of the Balkan states, Turkey reserves to itself full liberty of action, convinced that the civilized world will not fail to do justice to its moderate attitude of the Balkan states, Turkey for safeguarding its dignity and security, as well as its rights."

Numerous Clashes.

This, it would seem, is the Porte's way of preparing the world for the failure of the powers to stave off the rupture of peace is to be had, but skirmishes are reported to have occurred in the neighborhood of Djumeha, called also Jambol, Bulgarian territory, in the Albanian vilayet of Scutari, along the Montenegrin frontier, and near Baschkranya on the Serbian border.

Turkey has appointed the war minister, Nazim Pacha, to supreme command. Roumania has not yet mobilized, and, it is stated, will take no action for a few days.

Negotiations by the great powers in

favor of peace are being carried on, the most important conference at present being held at Paris. It is reported that Austria will receive Bulgaria's mandate to take the needful steps to localize the war.

All despatches from the near east are subjected to heavy delay and censorship.

ULTIMATUM ON MONDAY.

CONSTANTINOPLE, Oct. 3.—(Can. Press.)—The war minister, Nazim Pasha, has been appointed in supreme command of the Turkish forces.

Reliable information reached here this evening that the Balkan ultimatum demanding autonomy for Macedonia, will be delivered Monday. In view of the gravity of the crisis, the government contemplates adding to the cabinet two or three members without portfolios.

Persistent rumors are current that hostilities have commenced on the Bulgarian frontier, north of Kilk-Kiliseh, but the Porte declares that it is without news on this subject. Bulgarian excesses against the Turks are reported from Varna, Aidos, Burgas and other places. Thirty Turks have been killed and many injured, according to this report, and several villages looted, bombs being employed in some cases.

Eager For War.
The war fever of the populace is rising rapidly. Many thousands of students marched thru the streets tonight. They visited the various embassies and the Porte.

Everywhere perfect order was maintained except while passing the Bulgarian legation, hostile cries were raised and stones were thrown. Later a strong body of police was sent to guard the legation.

Patriotic meetings were held and fiery speeches were delivered, clamoring for war. This outcry is based on the belief that the Balkan states are combining to drive the Turks out of Europe.

BULGARIANS CROSS FRONTIER.

ST. PETERSBURG, Oct. 3.—(Can. Press.)—The Russian Government has received information that Bulgarian troops are crossing the Turkish frontier tonight.

LAURIER GIVEN FINE RECEPTION

Enthusiastic Demonstration at Chatham—Borden Charged With Surrender to Nationalists.

CHATHAM, Oct. 3.—(Special.)—Sir Wilfrid Laurier was given a generous reception in Chatham today. Liberals and Conservatives joined heartily together and received him in a friendly and cordial manner. The army was packed to its capacity with fully three thousand people.

During the afternoon Sir Wilfrid and his colleagues visited the various schools of the city and held a public reception in the Rankin House. He was presented with an address by Mayor Anderson and an automobile parade was held in his honor, escorting him over the city.

Tonight the armory would not hold the big crowd and an overflow meeting was held in the skating rink.

Says Borden Switched.
In speaking of the navy question he charged that Mr. Borden had switched in his ideas regarding the navy and that the switching was due to the pressure brought to bear upon him by the Nationalists. He attacked Monk, Bourassa, Nantel and Pelletier in a vigorous fashion.

Many Happy Returns
to Mr. and Mrs. William Armstrong of Toronto Priory, 67 years married today. They are still at their summer residence at Hianian's Point, where there are four generations at the present time.

RIO EARNINGS.
Rio gross earnings for the week ending Sept. 28 were \$286,906, an increase of \$37,921.

NEW C.P.R. BUILDING
OFFICES FOR RENT.
We are now allocating space in the above building which is rapidly nearing completion. Early enquirers will secure choice of location.
H. H. WILLIAMS & CO.
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VOL. XXXII— No. 11,751

FOURTEEN PAGES—FRIDAY MORNING OCTOBER 4 1912—FOURTEEN PAGES

Want an Automobile or Player Piano? \$5000 in Prizes. See Page 9