

TANNER & GATES TANNER-GATES BLDG., 22-23 Adelaide Street West.

PROBS. West to northwest winds; but partly fair; stationary.

HANNA DISPUTES ISSUANCE OF LICENSES

Action Taken by Aurora Board Raises Important Question as to Working of Local Option Law and the Court of Appeal Will Be Asked to Interpret Statute.

Another fight with Hon. W. J. Hanna in the spot light has just started. This time the Provincial Secretary is by inference on the dry side of the firing line while the Aurora license commissioners and license holders are on the other.

The question at issue is whether after a local option vote where a dry majority has been registered, the not an absolute three-fifths, the license commissioners can renew licenses without the authority of the Ontario Government officially expressed thru the Provincial Secretary.

As announced in The World the Aurora license commissioners acted without such authority.

A Puzzling Amendment. One of the amendments to the license act placed on the statute books in a bill introduced by Hon. Mr. Hanna placed the power within the hands of the government to control the issue of licenses in certain districts, not under the actual operation of the local option. This has been exercised in certain districts until a permanent decision was announced by the Provincial Secretary.

In the Aurora case an important statement made made officially yesterday by the Ontario License Department announcing that the legal situation in Aurora was to be deferred by the Court of Appeals. Aurora will be "wet" until the court judgment is rendered. To that extent Aurora License Board has won.

The official statement by the license department is as follows: In this case a local option bylaw was submitted to the electors in January last, and the returning officer made the necessary declaration that the bylaw had received a vote of three-fifths of the electors, and reported accordingly to the municipal council. Before the third reading could be given to this bylaw a motion was made before the county judge for a scrutiny of the ballots cast and upon this scrutiny one vote which had been counted for the bylaw was disallowed, the result being that the majority fell a fraction of one vote short of the required three-fifths, and as a result the bylaw was not passed by the council. On the 21st of July the local commissioner by the board daily called and granted the licenses for the current license year, and the question raised, under the circumstances, the action of the commissioner is legal, or whether under section 142a of the Liquor License Act, it was necessary for the minister to grant the consent of the minister to the granting of these licenses, which was not done.

The legal advisor of the license holders contends that the consent of the minister is not necessary, and that the section in question only applies to a completed bylaw. It is contended on the other side that the license holders' consent is necessary to legalize the action of the board. Under the circumstances, it has been determined to submit the question to the Court of Appeal. The result will depend on that court's decision. If the licensees granted by the board will be treated as a nullity, if on the other hand, it is held that the minister's consent is necessary, the action of the board will not be interfered with. In the meantime, the license holders will be permitted to carry on their business. The matter will be disposed of as quickly as possible and all parties given an opportunity to be heard.

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The World

FOURTEEN PAGES—FRIDAY MORNING, AUGUST 1, 1913—FOURTEEN PAGES.

For Real Estate Investments see TANNER & GATES TANNER-GATES BLDG., 22-23 Adelaide Street West.

VOL. XXXIII.—No. 12052

HUEHUETLA STEP DOWN: DIAZ IS RECALLED

Former Head of Mexico Ordered to Return to Capital From Trip to Japan—One Explanation Is That Huerta, Realizing Inability to Gain Popular Presidency, Will Support Diaz.

(Special to The Toronto World.) MEXICO CITY, July 31.—Felix Diaz has been ordered to forego his journey to Japan as special ambassador for the Mexican Government and to return to this capital as soon as possible.

This information comes to The World correspondent from an absolutely reliable source. It was coupled with the statement that Diaz will leave Los Angeles for Mexico City within a day or two. The meaning of this can be surmised only, pending an official explanation as to the causes which decided Huerta to recall him after, as generally believed, he had sent him from the country to eliminate him as a presidential possibility.

One belief is that, whatever aspirations Huerta may have entertained of succeeding to the constitutional presidency, they have been checked by his understanding that the United States Government will not countenance his remaining in politics, nor in the presidency, longer than is necessary to install another president, who shall be chosen by popular vote.

It is thought probable that Huerta now desires to go to Mexico so that he may be a candidate and that Huerta will give his support in preference to any other candidate.

The name of Gen. Geronimo Trevino, who is now in Los Angeles, is being mentioned here as a candidate who would command the support of all factions, but any one who would support Trevino would accept on account of his age and poor health.

At the local papers assert that recognition is assured within a few days, private despatches received today from Washington state positively that there was no chance of the Huerta government being recognized or of Ambassador Wilson returning to his post.

LOS ANGELES, July 31.—Felix Diaz declares that he has not been notified of his recall. He showed surprise when told of the report.

LONG DELAYED, IT COMES AT LAST

Controllers Issue Order That No More Insane Persons Shall Be Held in Jail.

Orders in that future no insane prisoners or prisoners waiting to be examined for insanity shall be sent to the jail were passed by the board of control yesterday, and with this order the present psychiatric prisoners should be sent to the old General Hospital for the insane.

Acting Mayor Church brought the matter to the attention of the board of control yesterday when he stated that he had received a letter from Thomas Arnold, secretary of the Board of Associated Charities, stating that last Monday five prisoners supposed to be insane were sent to the jail from the police court.

"There are twenty or more insane persons out at the jail now," said the secretary, who later made the suggestion that for the present the board should try to accommodate them at the General Hospital.

Prince Palatine BEATEN IN RACE

Horse For Which Nearly Quarter Million Was Paid Is Badly Worsted.

(Special Cable to The World, Copyrighted by The Toronto World and N. Y. World.) LONDON, July 31.—The entire sporting world was interested in the record price paid for a race horse when J. B. Joel gave \$225,000 yesterday for Prince Palatine, whose sire was King Edward's horse "Derby".

Today that interest was enhanced when the Prince Palatine was ignominiously defeated for the Goodwood cup in which race Mr. Joel's new purchase was a hot favorite at odds of five to one.

The failure of Prince Palatine was of especial importance, inasmuch as a condition attaching to the sale provided that if the horse was beaten in favour of his remaining engagements this season, \$25,000 should be taken off the price paid for him.

GRUESOME DISCOVERY OF CAR-TAKER AT BOND LAKE PARK—REMAINS MAY BE THOSE OF J. T. BARTON.

The body of a man believed to be J. T. Barton, formerly of 291 Augusta avenue, Toronto, was found in the bushes at Bond Lake in the present late night. The gruesome discovery was made by the caretaker, who while on his rounds stumbled over the body. In a pocket was found a receipt from the Crescent Encampment of the I. O. O. F., Toronto, with the name of J. T. Barton and the address 291 Augusta avenue given. Enquiries at that address, however, found the house at present tenanted by a family of foreigners.

Mr. Hilary of Aurora was summoned immediately and examined the body, the secretary of the I.O.O.F., Toronto, was also phoned. The lodge is making a thorough search to discover the present address of the man, and will endeavor to solve the mystery.

Mr. Hilary stated to The World last night that the body had evidently been in the woods about five days; no marks of violence were apparent, and his theory was that he had been overcome by the heat. The man was very well dressed and apparently about 35 years of age.

An inquest will be held at 10 o'clock this morning.

EVEN CHICKEN HAS NO CHARM FOR HUNGERIST

And Watermelon Fails to Tempt Colored Prisoner From Initiating Suffragette.

BERLIN, July 31.—(Special.)—Joseph Wood, colored, on Friday last, sentenced to six months in Central Prison as a vagrant, is on a hunger strike. He is not a suffragette, but he does belong to a good organization, the Jaffor Cook, in an endeavor to tempt him to eat, asked him if he would not eat a watermelon, but he strangely replied in the negative.

At a previous occasion a prisoner fasted for a week, and it was told he would be fed by force he ate meals regularly. Forcible methods will be supplied in due time in this case.

DIPLOMAT GOES MAD NEWSPAPERS WARNED

(Special Cable to The World, Copyrighted by The Toronto World and N. Y. World.) PARIS, July 31.—The World correspondent, seeing on a boat train from Havre a gentleman who was pointed out as an important Mexican official, approached him and presented a card. He returned a card which read, "Louis Torres, Brigadier, extraordinary, at minister plenipotentiary in Mexico." He said he was being sent to Mexico to reorganize the entire diplomatic corps. In relating intimate facts regarding the administration of the man suddenly flew into a violent rage at the conductor's demand for tickets, and when his wife attempted to calm him he radically wrong. Passengers said they had been behaving quietly on the ship, but had quarreled with the captain on the point of putting him in irons. The row was said to be due to giving a concert by himself on a ship at \$20 admission, for the benefit of the poor.

On arrival The World correspondent telephoned to the Mexican embassy. The secretary said that the man was a diplomat and a gentleman of the highest standing, and was ambassador to the United States.

He said that Torres had gone insane four days before on the ship and that he probably would be confined in an asylum. The embassy probably will issue a warning for newspapers against the madman's interviews.

PANAMA EXHIBIT NOT WORTH COST

Tolls Question Has Nothing to Do With British Action—Million Dollar Expense Unwarranted.

(Special Cable to The World, Copyrighted by The Toronto World and N. Y. World.) LONDON, July 31.—The British Government's decision not to exhibit the Panama Exhibition was in any way influenced by American action on the canal tolls question.

The World is that Great Britain was that at the exhibition it ought to be on a grand scale, but the expense was not of that nature.

It is not longer of the same advantage as formerly. The exhibition orders were looked by exhibitors, but experience in recent exhibitions shows that business done in this way becomes a mere loss.

Under these circumstances, it was explained yesterday by a representative of the British Government, the decision that the advantages are not worth the expenditure.

Despite these official denials, however, the belief is strongly entertained in British quarters that but for the experience of the Panama tolls exhibition the British Government would have been inclined to view favorably the proposal to be represented.

SENATIONAL COURT MARTIAL IN GERMANY OPENS

Official Confesses to Taking Bribes—Information Was Used by Great Munition Firm to Cause War Scare.

(Special Cable to The World, Copyrighted by The Toronto World and N. Y. World.) BERLIN, July 31.—Not since the Prince Eitelburg scandal of six years ago has such general public interest been aroused as was occasioned by the opening today of the court martial convened to try the military officers charged by Dr. Carl Liebknecht last April 13 with accepting bribes for information of pending contracts for arms and ammunition.

The sensational disclosures made by Liebknecht in the Reichstag included not only corruption and bribery on the part of the great armament firm of Krupp, but also an organized scheme for raising war scares so as to force the government to devote money to munitions of war.

Lieutenant Colonel Hilke and Hauptmann Schleuder of the ordnance department were brought before the court today, as well as two non-commissioned officers. Among the latter was the alleged briber who acted for the armament company. The director of the case concerns probably will be subpoenaed later.

The accused officers appeared in full uniform, and the trial room was crowded with clanking swords and crowded with people, and many reporters, for, contrary to custom, this court martial is being held with open doors.

The formal charges against the prisoners is betrayal of military secrets, the acceptance of bribes and insubordination.

Liebknecht admitted communication of secrets to the Krups ordnance factory, but protested that this was done without criminal intent since they believed there were no secrets between the German government and Krupp. They also admitted that much of the information given to the ordnance firm would have been highly valuable to foreign countries.

Liebknecht's witness was Lieutenant Hilke, who was Krupp's chief informant during the critical year of 1908. Soon after the court opened at 9 o'clock this morning Lieutenant Hilke made this astonishing statement:

"I only gave Herr Brandt, Krupp's Berlin representative, information because Krupp's whole standing led me to feel that Krupp and the state were identical."

Rewards Were Exaggerated. Hilke's evidence was clear and straight forward. He made no mention of the nature of his relations with Brandt. He admitted that he might have reported prices quoted by Krupp's competitors, though he considered the number of the communications and the extent of his rewards from Brandt were exaggerated in the official report.

Conspicuous among the witnesses in the little court room, which with its windows was stillingly hot, were two women, the one identified wife of Herr Brandt, and the other a lady's hair dresser, Frau Schleuder, one of the accused officers. The hair dresser is likely to be a feature of this curious trial since the prosecution has captured one of her letters to the faithless lover in which she accuses him of taking huge bribes from Brandt and threatening a "world wide scandal."

The whole affair bears some small resemblance to the recent Maxon scandal in England, inasmuch as it is believed that German ministers were interested in Krupp and it is even said that the Emperor has some of his money invested there.

DRIVER CARELESS OPINION OF JURY

James Murray's Death Directly Due to Blood Clot on Brain.

That James Murray came to his death as the result of an accident when a runaway horse with a delivery wagon belonging to the Robert Simpson Co. crashed into his buggy, at the corner of Avenue road and Chichester avenue, was the verdict of the jury which last night investigated the death of the well-known Toronto horseman.

The jury added that the driver of the wagon should have used more care in looking after his horse when no knew it was inclined to run away.

Dr. Silverthorne, who performed the post-mortem examination, gave evidence to the effect that death resulted from a clot of blood on the brain.

Getting Ready for Fall Business. The opening of the exhibition in Toronto usually marks the close of the retail business in Toronto for summer goods. After the second week in August the fall business begins, when the explanation given is that the summer goods must be sacrificed.

We are selling imported straw hats for \$1 and genuine Panama hats for \$2.49. The regular price of these hats is not less than twice what we are asking.

Remember we are clearing out all our summer stock for the fall business.

As well as the bargains in summer hats, we are making a sacrifice also of leather dress suit coats, hot boxes, club bags, raincoats, umbrellas.

146 St. James street, Corner Temperance.

U.S. GOVERNMENT TO DEPOSIT MILLIONS TO PREVENT CROP MOVING TIGHTNESS

A CRIMP IN THE MONEY TRUST

Secretary McAdoo of the U. S. Treasury has announced his intention of loaning \$50,000,000 of currency to the southern and western banks of the United States. The government will be secured by the deposit of bonds and prime commercial paper. The banks will pay two per cent interest and will be enabled to accommodate their customers at a reasonable rate of discount. This action will not only relieve the financial stringency, but will prevent the New York Money Trust from reaping its large anticipated profit from the stringency it has helped to create.

If the \$50,000,000 is insufficient, ten times that amount can be issued and loaned to the banks by the government under the Aldrich-Vreeland Act. The banks and people of Canada would be glad today to have a similar legislation on our statute book, although the proposal of such a measure by Mr. W. F. Maclean received little consideration when the new Bank Act was under discussion.

DEMOCRAT BOLTS MEXICO ELECTION ON FREE SUGAR IN FALL PLANNED

Louisiana Senator Repudiates Tariff Measure and Calls Party's Action "A Pity and Shame."

WASHINGTON, July 31.—(Can. Press.)—Democrats of the senate who stand pledged to vote for the Underwood-Simmons tariff bill listened today to one of their number, who has repudiated the administration measure because of the free sugar plank. Senator Thornton of Louisiana, in a vehement speech, pictured the ruin that free sugar would bring to his state, denounced the policy of free sugar as undemocratic and characterized his party's action as a "pity and a shame."

"I am not false to the principles of the Democratic party," said the Louisiana senator, "in refusing to follow it along the strange and devious pathway it is now pursuing with regard to the tariff on sugar. I am true to those principles and it is the Democratic party itself that is seeking to depart from them."

The attack from within the party ranks, the first that has been made since general debate began, was followed by another from the Republican side when Senator Gronna of North Dakota assailed the measure from the standpoint of the farmers.

The double attack did not serve to way it is now pursuing from their determination not to take any time in general debate. The house intend to stand firmly behind the provision that free raw wool and the rates on woolens shall become operative upon the passage of the bill. The senate bill proposes to make raw wool free on Dec. 1, 1913, and woolens on Jan. 1, 1914.

Capital from U. S. The president's plan embraces that of Oscar Braniff, Huerta's agent here, for holding an election in October. The president also is considering the effects of the financial interests in Mexico to bring about an end to the warfare. The president will not make known the details of his plan for several days.

When the president will accept the resignation of Henry Lane Wilson as ambassador to Mexico could not be learned, although it can be stated on authority that Mr. Wilson will not return to Mexico as the American representative.

TORONTO WILL EQUAL CHICAGO SAYS VISITOR FROM OKLAHOMA

City With Its Cheap Power and Light and Transportation Facilities by Land and Water May Become Second City in America, Says Clarence Douglas—Points to Influx of U. S. Capital.

"Not only does it appear to me as 'Toronto the Good', but also as 'Toronto the Great,'" said Clarence B. Douglas of Muskogee, Oklahoma, who is making a brief visit to relatives in this city en route home from Washington, D.C.

"In my judgment," continued Mr. Douglas, "there will be built the third, and possibly the second, city on the continent. The transportation question by land and water is well under way for Toronto; and already Toronto has cheap power and cheap light. The water supply is unexcelled and the geographical situation of the city for a great distributing, commercial and manufacturing centre could not be improved upon."

An Undeveloped Empire. "There is an empire to the north and west, much of it undeveloped and all tributary to Toronto; an empire rich in natural resources; in mineral, lumber, agricultural and horticultural possibilities; and in the near future this empire will be peopled with the best blood and brain and brawn of the civilized world."

"As this development proceeds, Toronto, the natural nerve centre of this vast area, will grow and expand into a metropolitan city equal to Chicago. States will be an important factor in the growth of this city. Millions of dollars now invested in manufacturing enterprises across the line will be moved to Canada and Toronto will fall to realize the importance of going to the source of the power, the water, witnessed in action at Dallas, Texas, last year on the occasion of the meeting of the National Ad. Men's convention. That spirit made victory at Baltimore this year a certainty, and it is that spirit which will build a great metropolis."

Mr. Douglas is president of the Oklahoma State Association of Commercial Secretaries and correspondent for the Manufacturers' Record and other industrial publications in the States, and is so taken with Toronto, that, should he ever leave the South, would locate in this city.

Commercial Paper and Municipal Securities Will Be Accepted at Discount From Banks as Security For Twenty-Five to Fifty Millions of Treasury Funds.

TAKE GOVERNMENT BONDS AT PAR VALUE

New York "Pirates" Have Southern Cotton Planters by Throat, Declares Senator—Hundred Million Will Be Lost to Growers Unless Immediate Action Is Taken.

WASHINGTON, July 31.—(Can. Press.)—Twenty-five to fifty million dollars of government funds will be deposited in the national banks of the south and west at once by Secretary McAdoo to facilitate the movement of crops. Federal, state and municipal bonds and prime collateral paper will be accepted as security for the money upon which the banks will pay two per cent interest.

The motive of Secretary McAdoo in establishing this new policy is to anticipate the money stringency in the late summer and fall, which invariably accompanies the marketing and movement of crops, especially when the crops are unusually large as the harvest now beginning forecasts. He intends to take time by the forelock to prevent or minimize the usual tightness of money.

It is stated tonight that the secretary made the significant announcement that government bonds would be accepted at par as security for the new deposits and that the additional money would be placed only with banks which have taken out at least 40 per cent of their authorized circulation. United States 2 per cent bonds, serving as security for most of the national bank circulation, have been depressed recently to new low market records, dropping to 95 3/4 during the past few days. The secretary's willingness to accept these bonds at par as security for the \$25 to \$50 millions of government deposits and the inducement to the national banks to increase their circulation up to the forty per cent limit is expected to help in restoring the parity of the depressed 2s by creating a new market for them.

Accepted Commercial Paper. For the first time in history the government will accept prime commercial paper as security for deposits. This privilege will be granted, as announced by the secretary, in order to make these special deposits available to the banks on securities readily within their reach.

Approved commercial paper will be accepted as security for the deposits at 95 per cent of its face value, and high-class state, municipal and other bonds, exclusive of government bonds, at 75 per cent of their market value.

The additional deposits will be placed with the national banks in the two or three principal cities in each of the states where harvesting is now in progress and where the demand for money for moving the crops most conveniently can be met. The secretary said it would not be practicable to scatter the deposits among the smaller cities, especially in view of the character of securities necessary.

Return Money After Harvest. The banks will be required to return money to the public treasury when the crops have been moved. The present suggestion is, Mr. McAdoo said, that fifteen per cent be repaid in December, 30 per cent in January, 30 per cent in February, and 25 per cent in March next.

Senator Tillman in a public statement tonight declared that unless (Continued on Page 2, Column 1)

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