

which would take into the public treasury the greater part of the increase allowed to that company. Probably it was this action, and the discussions in connection with it, that suggested to Lord Shaughnessy that the time was appropriate for the presentation to the public of a review of the company's operations. He does not protest against the burdens imposed on the company. He says the tax will be paid "without protest," and, for the comfort of his shareholders he adds, without embarrassment to their finances. It is war-time, and the needs of the public treasury are great. Therefore, in this, as in all other things, the C. P. R. will do its part loyally. Nevertheless he observes that the recent decision "imposes upon it (the company) a measure of taxation discriminatory in its character, and therefore your company might with propriety question its fairness or justification." If the company's affairs are prosperous, he claims, it is because they have been managed economically and efficiently, and he suggests, rather than asserts, that these are not qualities that should be penalized.

The financial success of the corporation has indeed been remarkable. That it had its hard times in its early days is well known. In that time of trial its directors more than once assumed personal liability for large obligations. It would have been in accordance with railway practice elsewhere if they had sought compensation for this service by the creation of separate corporations, to which might have been diverted some of the opportunities of money making, to the personal profit of the promoters; but it was the policy of the company to hold all such opportunities for the company's benefit. The directors who aided the company with their personal means or credit received their money back, and nothing more. "All the revenue-producing attributes," says the President, "were reserved for the advantage and benefit of the shareholders, and the resulting profit to the company's checkbook is very substantial indeed."

Concerning the large land subsidy received by the company, on which much stress is laid by the company's critics, the President points out that at the time the land was granted, and even for some years afterward, it was of very little value, and that it was the company's enterprise and large expenditures—including fifteen million dollars expended on irrigation and seventeen millions on immigration—that made the land the valuable asset it became.

On the question of capitalization the statement presented is an unusually strong one. The shares of the company when first issued had to be sold at a large discount. The original issue of \$65,000,000 yielded to the treasury an average of only 46 cents on the dollar. Nine years after the completion of the railway the common stock was offered as low as 33 cents on the dollar. Better times came, and new shares were issued on terms that gave some advantage to the holders of the then existing shares. The position to-day is that there is outstanding common stock of \$260,000,000, which has yielded to the treasury of the company an average of \$112 cash for every \$100 of stock. "If," says Lord Shaughnessy, "the additional amount supplied for capital expenditure from the surplus belonging to the shareholders be taken into account, the shareholders paid an average of \$143 for each \$100 of stock that they hold," Lord Shaughnessy, we think, rather strains his argument here. The surplus, of course, belonged to the share-

holders, in the sense that everything belonging to the company is theirs. But as it came out of the profits of the enterprise, and not out of the pockets of the shareholders, it was not theirs in the same sense as the money that they had paid into the company's treasury for their stock. But without this additional point, the President's statement respecting the yield of the stock to the treasury is a very striking one. A company which can point to the actual cash payment into its treasury of \$112 for every dollar of stock issued for the beginning of its operations occupies in that respect a very strong position.

Lord Shaughnessy's review of the financial operations of the company is, as we have said, both interesting and instructive. A great corporation like the Canadian Pacific, with its world-wide system of railways, steamships, telegraphs, coming closely into touch with the Canadian people in so many ways, will inevitably find itself at times coming under criticism, which may be just or unjust. But all Canadians may well feel proud of the splendid organization which is playing so large a part in Canadian development, and none will be unwilling to deny to its directors and managers the tribute that is due to them for its remarkable success.

## The Situation in Ireland

ONLY the very critical position of our armies in France and Belgium prevents the affairs of Ireland occupying the very first place in public attention at this moment. Very grave events are occurring there, which may seriously affect the Empire, both in the present and the future. Mr. Lloyd George's well meant efforts to grapple anew with the Irish problem have not so far yielded good results. The men of action, who are noted for their force of character, for deciding and doing things promptly, are not always blessed with the virtue of discretion. Was it not Thackeray who said that one should not expect all the virtues in a servant for a few shillings a week? One should not expect all the virtues even from so able and valuable a man as the British Premier. That the questions of Home Rule and Irish conscription bristled individually with difficulties everybody knew, Mr. Lloyd George seems to have conceived the notion that if the two problems were tied together the bristles would neutralize each other, and a satisfactory degree of harmony would ensue. Hence, when the situation seemed to be full of trouble, he boldly announced that his Government would immediately enforce conscription in Ireland, and would at the same time bring in a new Home Rule Bill. It was a bold stroke, and had the possibility of proving an effective one. But the Premier's expectations have not so far been realized. The Irish people have refused to be conciliated with the promise of a Home Rule bill, the character of which remains to be disclosed. The Nationalists, who under the leadership of John Redmond gave the Government a hearty co-operation in war policy, apart from Irish conscription which had not been attempted, are now, under the leadership of John Dillon, absenting themselves from Parliament, finding common ground with the Sinn Fein element, organizing in every possible way to oppose conscription. Worse still, the Irish Roman Catholic Bishops have openly given their blessing to the anti-conscription movement,

and are participating in it to a degree that is alarming. The ultra Protestant element that is easily disturbed, sees in this move of the Roman Catholic clergy a design, originating in the Vatican, to exercise a control in affairs of state that is a menace to the Protestant religion and to British institutions. Appeals to the non-Catholic population to resist this movement are made through the columns of influential journals. Some of the most prominent English Roman Catholics are doing their best to prevent the development of this unhappy situation. An organization representing English Catholics has made representations to the Pope against the attitude of the Irish bishops. Lord Denbigh, who, since the death of the Duke of Norfolk, is the most eminent layman of the Roman Catholic Church in England, has written a vigorous letter to the Times, protesting against the course of the bishops, and warning all concerned that it is likely to bring about a hostility to the church and its members everywhere that can be productive of harm only.

In the presence of such a situation one is not surprised to learn that the Government have to recede from their announced intention to enforce conscription immediately. It is reported, too, that the plans for the introduction of a new Home Rule bill are not working smoothly, and that there will be more delay than was expected in framing the bill. If this be correct, it will be further evidence that the Premier, in his undoubted zeal for the cause, was too hasty in making an announcement that the Government were ready to bring in a bill. The decisive character of the announcement justified a belief that the Home Rulers and anti-Home Rulers in the Cabinet had been able to agree on a measure. It is evident now that they had not.

## Railway Nationalization

IN reply to repeated efforts to elicit from him an announcement of the Government's policy respecting the great railways of the country, the Minister of Railways said that at a later stage of the session he would make a statement. In the meantime, the steps taken by the Government to assist the needy companies in obtaining rolling stock may fairly be taken as an indication that it is not contemplated that there will be any legislation this session for the acquisition of any railway outside the Canadian Northern system, which is now practically under Government control.

An incident reported from England is calculated to give aid and comfort to the advocates of nationalization in Canada. Soon after the breaking out of the war the British Government took control of the British railway system, leaving the management, however, largely in the hands of the companies' officials, and guaranteeing fair dividends to the stockholders. If not exactly railway nationalization this was pretty near it. There are people in the Old Country who are anxious to have the present system of control made permanent by the actual purchase of the railways by the Government. Resolutions to that end were adopted at a recent labor congress at Blackpool. Those who presented these resolutions to the Prime Minister, Mr. Lloyd George, have announced that he "gave a sympathetic hearing to the deputation, and cordially received the suggestion that railways, canals and waterways should be nationalized."

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