

same ratio as it has done during the past decade? It is more than probable that its business will keep on expanding as it has done, and it is quite probable that its cash surpluses will continue to swell as they have done during the periods of the west's recent expansion and development.

Recent Dividends and Surpluses.

For the past six years the surpluses together with the amount paid to the shareholders of the Canadian Pacific have been as follows:

	Dividends to	Surplus	Shareholders.
1906-7	\$ 9,339,005	\$ 7,300,300	
1907-8	5,579,715	8,517,600	
1908-9	3,847,161	9,508,800	
1909-10	13,896,616	10,500,000	
1910-11	11,873,242	18,600,000	
1911-12	17,560,518	18,000,000	

The shareholders have in addition to receiving these dividends which aggregate \$72,427,200 received in the form of rights on new stock issued the sum of \$58,449,000. It is perhaps, incorrect to state that they actually received that figure, but they received rights with a market value, which would have netted that sum in cash.

It is quite evident from the above array of surpluses that the Canadian Pacific is doing a very profitable busi-

ness. It is also quite evident that with the steady growth of the country and its commerce capital expenditure on a large scale will be necessary for years to come.

The last statement to hand furnishes abundant evidence of the business health of the company; of its ability to pay with ease all obligations on its funded debt. It furnishes also abundant evidence of its ability to do well by its shareholders. Apart from traffic profits a substantial emolument is derived from special income from land and securities held and also from periodical hand-outs of rights on new stock issues that have netted the shareholders extraordinary profits. Under such circumstances it might be well, in the public interest, carefully to examine the record of the company as to its payments to shareholders, and also the record of the management from the standpoint of the services it has given to the public in return for the very extraordinary bonuses it has received to aid it in discharging a public trust.

In the succeeding articles this question will be discussed; and the next one will deal with the large profits shareholders have made out of various stock issues of recent years.

ARTICLE II.

Shareholders' "Rake-offs" from New Capital Issues

(Winnipeg Free Press, Sept. 11, 1912.)

If the application of the C.P.R. for an increase in its authorized capital is granted and the issue is made on terms proposed, that is \$175 per share, the profit to the holders of the 1,980,000 shares would be \$49,500,000. Since 1902 stockholders of the Company have actually received \$59,449,000 in the form of melons. This is entirely apart from what they have received in dividends. The article following, being the second of a series discussing the advisability of the Dominion Government authorizing additional capitalization for the Company, shows how much the "melons" have netted; what proportion of the

proceeds of new issues went into the road, and what proportion went into the pockets of the shareholders. It will be noted that new capitalization has been as lucrative to shareholders as it has been of advantage to the road.

We might here review briefly what shareholders in the Canadian Pacific railway have received in the way of "melons" during the past decade. Already a table of figures showing aggregate dividends received since 1906 has been given. We might now take a glance at the record of rights and their proceeds, received in addition to the dividends, before going back into the early history of the company, when the shareholders made extr-