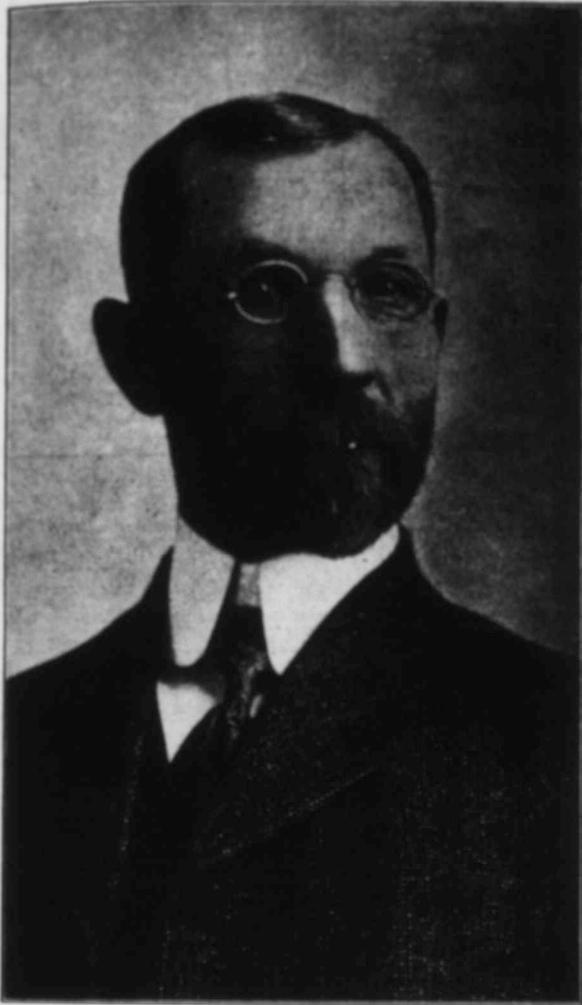


FARMER CANDIDATE FOR RAILWAY COMMISSION



ANDREW GRAHAM of Pomeroy—Unanimous choice of Western Agriculturists to represent their interests on Board of Railway Commissioners.

So unanimous and so strongly worded has been the desire expressed by the Manitoba Grain Growers that the Minister of Railways be asked to give the appointment rendered vacant on the Railway Board by the death of the Hon. Thos. Greenway to a farmers' representative that a special meeting of the directorate of the Manitoba Association was convened at Winnipeg on 31st December to deal with the selection of a candidate. By common consent the name of Andrew Graham of Pomeroy was placed on the table and a resolution passed to the effect that the strongest pressure should be brought to bear upon him to allow his name to go forward as the unanimous choice of the Western agricultural interest. Subsequently Mr. Graham was waited upon, with the gratifying result that after the matter had been put before him in the light of a duty he owed his colleagues, he withdrew the objections he urged at the outset and consented to accept the position if offered to him. From all sides the most enthusiastic support of the executive's choice has been received, and congratulatory letters (too numerous for space at "The Guide's" disposal) have come in. Beyond doubt there are few men in the west so capable of doing justice to the onerous nature of the position. By education and the training of a lifetime, Mr. Graham is admirably fitted to intelligently and impartially deal with the intricacies of those important interests upon which the Railway Board is called upon to adjudicate. Whether as a stock-breeder or grain grower,

Mr. Graham is so well known in the West that any detailed expression of his fitness is rendered superfluous. His public appearances on so many occasions have recorded a uniform success, and his counsel on every possible occasion has been sought and gratefully accepted by his colleagues when any matter affecting agricultural affairs in the West has been under consideration. Mr. Graham's personality is a welcome acquisition to any platform on which the public interest is at stake.

The most gratifying phase of Mr. Graham's candidature is the fact that no other name has been mooted in this connection by either of the three prairie provinces, and it may therefore be taken for granted that there is not a solitary Western farmer who would not willingly intrust his interest in the Railway Board's deliberations at least to the judgment of Mr. Graham.

COLD-BLOODED ROBBERY

Commenting on a letter written by "A Banker" in which he deals with the questions raised by the authorization given to the Canadian Pacific Railway Company, by the Dominion Government, to issue \$50,000,000 in new stock, The "Toronto Globe" says: "In the report of the committee in question the statement was in effect made that this stock is, according to report, to be issued to present shareholders at par; that, since the stock is really worth, in the open market, \$178 on the hundred, an issue of \$28,000,000 in face value would, with the premium commanded, yield the company \$50,000,000 in additional capital; that the issue of \$22,000,000 more in stock than is required in order to produce the \$50,000,000 in money for construction purposes means burdening the road with an unnecessary capitalization and making it more difficult to earn the ten per cent. on capital stock which must, according to the company's charter, be earned before the government can exercise the right to control rates on the main line.

"A Banker" points out that the last clause in the statement above summarized is erroneous—that the order-in-Council authorizing the issue of \$50,000,000 in new stock provides that this stock is not to be classed as part of the capital invested in the original undertaking, and consequently is not to be permitted to limit the right of the government to control rates charged by the company. This particular assertion made by our correspondent is borne out by certified copies of orders-in-Council approved by the government, and, since the Sun erred in common with the Legislation Committee of the Grange, we now frankly withdraw what was said in regard to this one phase of the question involved.

At the same time we cannot for one moment agree with the contention of our correspondent that the action of the company in proposing to sell this stock to its own shareholders at 78 cents on the dollar less than it is actually worth, is a matter which affects the company and no one else, and that the interests of those who ship freight over the line are in no way prejudiced by what it is proposed to do. The capitalization of a railway has a very direct bearing on the rates for traffic charged by that company, and even on the rates the company is permitted to charge by public authority. This bearing is effective although there may be no definitely expressed restriction on the action of the public authority, as in the case of the ten per cent. clause in the charter of the Canadian Pacific. There is, for example, no question whatever as to the absolute legal right of the Railway Commission to regulate and control freight and passenger rates on the Grand Trunk, but that right in practice is rendered largely valueless by the fact that the Grand Trunk is overcapitalized. It is well within the mark to say that at least one-third of the stocks and bonds outstanding in the name of the Grand Trunk represent either waste, or water, and still every dollar of that capital is