broad back of the public. That segregation of land assets for the purpose of being pocketed by the shareholders is intended is not known, but reference to that proposal is quite justified by the prevalence of very numerous rumours emanating from, generally speaking, well informed seats of speculation. So persistent have been these rumors as to fully justify some authoritative statement from either the President of the Company or from the Dominion Government, so as to set at rest any doubt in the public mind as to the diversion of so great a public asset to private pockets.

Land Revenues Diverted to Pockets of Shareholders.

So far the amounts taken from revenues from land sales and paid to the shareholders is not in the aggregate very large, but the principle involved is important. In the last report issued by the Company a statement dealing with special income includes the item "Interest on Cash Proceeds and on Deferred Payments for Land Sold, $1,817,774." From the corresponding source of revenue, from 1907 to 1910, the company paid 1 per cent. per annum on their common stock. Starting with, and including 1911, they paid this extra dividend, raised from 1 to 2½ per cent., that is in 1911, from what is termed "Special Income." Under that head, introduced in the statement of 1911, is icluded the interest on deferred payments on land and various proceeds in the form of interest and dividends on the acquired securities of the Company. Attention will be given to the special income of the Company, apart from proceeds from land sales in another article. If the shareholders have the right to pocket the interest on deferred payments and interest on cash proceeds from land sales it can be reasonably argued that they have a right to pocket the land, or to segregate from the use of the public the resources that were meant for public service in the form of transportation facilities. The approportion in the form of dividends of this interest on cash proceeds and deferred payments since 1907—their diversion from use in building new, and improving existing carrying facilities to the pockets of shareholders—is a question of public moment which might well be settled before any additional capitalization is permitted.

ARTICLE XVI.

Value of Company's Unsold Lands and the Company's Special Income

Winnipeg Free Press, Oct. 1, 1912.)

Out of interest received from securities of other roads owned, from cash investments in government bonds, and interest on deferred payments on land sales, the Canadian Pacific railway is in a position to take care of an additional debenture debt of nearly $150,000,000 on the basis of four per cent. interest. On a 4½ per cent. basis the company could take care of an additional $130,000,000. In addition to these resouces the company's lands have a market value of $150,000,000 on a basis of $15 an acre for those in the Prairie Provinces and $10 an acre for those in British Columbia irrigated lands average $33 per acre and some of the lands in British Columbia for fruit raising are much more valuable.

In the preceding article the revenue, and its disposition, from the sale of railroad lands was dealt with. In addition to what the company has already disposed of it has left 6,669,581 acres of what are termed agricultural lands and 4,395,948 acres of British Columbia lands. Accompanying this article a table is given showing the position of the land grants as at June 30 last. Of the revenue from lands already disposed of $93,731,828 has been invested in railroad equipment. It may be assumed that it is the intention of the company to pursue the