

of Canada would be augmented by one-third of its present amount. When we take these facts into consideration in connection with the annual deficit of at least \$20,000,000 in the case of the Canadian Northern (which has been acquired by the assumption of \$434,312,747 of liabilities, including a funded debt of \$327,928,765<sup>1</sup> and the deficit in operating expenses of the Canadian government railways, amounting in 1916 to \$6,159,503,<sup>2</sup> without the payment of any interest on capital, it will be seen that the drain upon the Dominion treasury will soon make heavy calls upon the taxpayers of this country.

It will be noted throughout this article that I have said little as to the value of the physical assets of either the Grand Trunk or its subsidiary. The minister of finance stated to parliament on April 3rd that if the government should exercise its right of foreclosure upon the Grand Trunk Pacific on the basis of its first mortgage and offer the road for sale it could buy it in "at a much lower price than is now represented by all the securities which have been issued in respect of it."<sup>3</sup> He acknowledged that, if the liabilities of the Grand Trunk on behalf of the Grand Trunk Pacific were fully taken into account the value of the Grand Trunk shares, that is, the shareholders' equity in the property, would be practically nil.<sup>4</sup> The government, therefore, concedes that the value of the assets in these cases is not a determining factor in the proposed transaction for the change from private to public ownership. The government approves the Drayton-Acworth allegation that this is a case for generosity and not for exacting the full pound of flesh.

Speaking for the Administration, the Minister of Finance has said that if the government takes over the Grand Trunk—and presumably the same thing applies to the Grand Trunk Pacific—it will take it on the same basis as the Canadian Northern was acquired; that is, it will still be a corporation with power to issue securities when necessary. As a corporation, its object would be to finance itself as much as possible. "This is the policy we have adopted with regard to the Canadian Northern Railway Company. Instead of advancing that company money from time to time, we encourage it to make issue of its own securities as a corporation in New York and in London. Some of these securities are guaranteed by the Dominion government and some are not."<sup>5</sup> In this way it would seem as if the government were endeavoring to make the people think that they would not be responsible for the extent of the obligations I have shown, in case the government acquired these lines, but that all the financial strain would still rest upon the existing corporations which are in control of the properties. This confusing of the issue is wholly derogatory to democratic government, which rests upon full and accurate publicity. Does the Canadian Northern still do all its own financing by the issuance of its securities and the sale of these in New York or London? Far from it, as the government well knows. Then why should this blind be held out, as a consequence of which many of the electorate are deceived? I am not here arguing either for or against government ownership, but am seeking to present the financial status of the railways and the government in a wholly unprejudiced light, and to leave to the people the drawing of conclusions.

<sup>1</sup> Hansard, April 7th, 1919, p. 1263.

<sup>2</sup> "Annual Report of the Department of Railways and Canals," 1917-18, p. vi.

<sup>3</sup> Hansard, April 3rd, 1919, p. 1208.

<sup>4</sup> Hansard, March 20th, 1919, p. 701.

<sup>5</sup> Hansard, April 7th, 1919, p. 1261.

## BANK CLAIMS MONEY CONFISCATED IN BELGIUM

The Secretary of State has secured permission to take possession of Royal Bank stock valued at \$17,000, owned by enemy aliens in Montreal. The bank did not oppose the transfer but filed a bill for \$55,000, which the Germans owed it through its confiscation of money in Belgium, and a deal put through for the commanders of the Dresden and Karlsruhe at Jamaica on a coal purchase two days before war broke out.

## GRAIN SUPPLY IN CANADA

### More Wheat on Hand than Last Year—Merchantable Quality High

THE Dominion Bureau of Statistics issued on April 25th a press bulletin giving in summary form the results of its annual inquiry as to the total quantities of wheat, oats, barley and flaxseed in Canada at the end of March, the stocks of all kinds of agricultural products remaining in farmers' hands at the same date, and the proportion of the crops of 1918 that proved to be of merchantable quality.

Returns collected from elevators, flour mills, railway companies and crop correspondents show that on March 31, 1919, the quantity in Canada of wheat, and wheat flour expressed as wheat, was upwards of 117,739,000 bushels, as compared with 77 million bushels last year, 126 million bushels in 1917, 197 million bushels in 1916 and 79 million bushels on February 8, 1915. The total for 1919 comprises 75,373,000 bushels in elevators, flour mills and afloat in winter storage, 32,315,000 bushels in farmers' hands and 10,051,000 bushels in transit by rail. Of oats, including oat products expressed as grain, the total quantity returned as in Canada on March 31, 1919, is 164,120,000 bushels, as compared with 155½ million bushels last year and 184 million bushels in 1917. The total for 1919 comprises 17,809,000 bushels in elevators and flour mills, 141,694,000 bushels in farmers' hands and 4,617,000 bushels in transit by rail. The total quantity of barley in Canada on March 31, 1919, is returned as 30,542,000 bushels, as compared with 16 million bushels last year and 14,871,000 bushels in 1917. The figures for 1919 comprise 8,135,000 bushels in elevators and flour mills, 20,026,000 bushels in farmers' hands and 2,381,000 bushels in transit by rail. Of flaxseed the total quantity in Canada on March 31, 1919, is returned as 2,259,000 bushels, as compared with 2,420,000 bushels last year, and 5,662,000 bushels in 1917. The total for 1919 comprises 881,000 bushels in elevators and mills, 1,039,000 bushels in farmers' hands and 339,000 bushels in transit by rail. For wheat and barley, therefore, the quantities in stock at the end of March this year are considerably in excess of those in stock a year ago, whilst for oats and flaxseed the quantities are more but not to so great an extent.

### Stocks in Farmer's Hands

The reports of crop correspondents show that of the total wheat production of 1918, 17 per cent., or 32,315,000 bushels remained in farmers' hands on March 31, 1919. Last year the proportion was 14 per cent., representing nearly 32 million bushels, and in 1917 it was 21 per cent., representing nearly 55 million bushels. Of the other field crops the proportions and quantities estimated to be in farmers' hands on March 31, 1919, are as follows: Oats, 33 per cent., or 141,694,000 bushels; barley, 26 per cent., or 20 million bushels; rye, 21 per cent., or 1,784,000 bushels; buckwheat, 23 per cent., or 2½ million bushels; corn for husking, 12 per cent., or 3 million bushels; flaxseed, 17 per cent., or 1 million bushels; potatoes, 31 per cent., or 32,836,000 bushels; turnips, etc., 18 per cent., or 22,295,000 bushels; hay and clover, 18 per cent., or 2,701,000 tons. The stock of potatoes—viz., 32,836,000 bushels, compares with 24,130,500 bushels last year, 16,770,000 bushels in 1917, 16,825,000 bushels in 1916, and 32,310,000 bushels in 1915.

The returns from crop correspondents show that of the total wheat crop of 1918—viz., 189,075,350 bushels, 93 per cent., or 175,370,000 bushels, were of merchantable quality. Last year the proportion was estimated at 95 per cent., and in 1917 it was 85 per cent. The proportions per cent. of other crops of 1918 estimated to be of merchantable quality were as follows, the corresponding percentages for 1918 being given in brackets: Oats, 90 (91); barley, 92 (90); rye, 92 (89); buckwheat, 75 (76); corn for husking, 67 (50); flaxseed, 90 (89); potatoes, 81 (77); turnips, etc., 86 (83); hay and clover, 89 (87).