Government to Pay C.N.R. $10,800,000.00

Toronto, May 25.—Ten million, eight hundred thousand dollars is the amount the Dominion of Canada will pay for the 600,000 shares of stock of the C.N.R. which is being taken over by the country to be operated as a publicly-owned enterprise.

This is the announcement made today by Sir William Meredith, chairman of the arbitration board, which has been considering for some months the price to be paid for the stocks.

As to the cost of the arbitration each party to the arbitration will bear its own, with the exception of the cost of taking evidence and the secretarial work, which will be borne by the government in any event.

As the act of parliament taking over the road provided only $10,000,000 to pay for the stock, the status of the extra $800,000 awarded by the arbitration commission is not quite understood here. The decision of the commission was unanimous.

Disappoints Sir William

"I have not yet received the documents," said Sir William Mackenzie, former president of the C. N. R., when asked his opinion of the award. During the early stages of the argument before the commission at Osgoode hall, Sir William expressed the hope that the arbitrators would find the stock worth between $40,000,000 and $50,000,000.

The judgment does not go into great detail. It gives no statement of assets and liabilities, but states that the arbitrators accepted the report of Prof. Swain as to the theory of valuing the road on the basis of reproduction cost now, less depreciation. The award also accepts Prof. Swain's estimate of depreciation and concludes that the amount of assets over liabilities on October 1, 1917, was not less than $25,000,000.

"As to whether or not there was a surplus of assets over liabilities was naturally a subject which engaged much time and consideration," says the text of the award.

"It is, of course, not a conclusive test as to the value of the stock, but it is an element which cannot be ignored. Its importance was perhaps emphasized by the fact that a royal commission had reported the assets and liabilities of the company to be about equal. This report which was made in a proceeding to which the company and its shareholders were not parties, was admittedly based on a misconception of some of the facts, and there were omissions of both assets and liabilities. It should also be pointed out that the work of the royal commission had reference to a date anterior to the first day of October, 1917, and there were changes in the interval.

Report Adopted

"In arriving at the surplus of assets over liabilities, the report of Prof. Swain as to the reproduction cost now of the physical property based on pre-war prices, and also his estimate of the depreciation, has been adopted, and after a careful examination we found the surplus of assets over liabilities of the company on the first day of October, 1917, on a conservative basis, to be not less than $25,000,000 after deducting the full amount of depreciation found by Prof. Swain and making such reduction in the value of the land grants and other assets as deemed reasonable.

"It is to be pointed out that a valuation of the physical property of a railway company by the reproduction new method, less depreciation, is not to be regarded as an ascertainment of the actual value. It is only a means to that end, but as it was the best, and in fact the only estimate available, it has been adopted as a basis for the foregoing calculations.

"While the surplus of assets over liabilities is an element for consideration as has been already pointed out, it is not conclusive as to the value of the stock of the company. Its prospective earning power is perhaps more important than any other element in ascertaining such value, and in arriving at a conclusion we have given careful consideration to the past history of the company, its earnings and expenditure, the present financial position of the company, the location of its lines and their construction, the other railways already existing in competition, the rate of interest on the funded and other debts of the company, the probable future growth of the population and business of the country, and all other factors which seemed to us to have any bearing upon the question.

"It is apparent that there was great room for difference of opinion in a matter involving so many elements of uncertainty and speculation, but after taking into consideration all the circumstances which appeared to us to be entitled to weight in determining so difficult a question, we came to the conclusion we have mentioned."

The award is signed by Sir William R. Meredith, Mr. Justice Robert E. Harris and Hon. Wallace Nesbitt, K.C.

Week's War Summary

Until the morning of Monday, May 27, the week had been a comparatively uneventful one on the western front. Indications were, however, that the stage was being set for another tremendous German offensive. Speaking in Edinburgh, on May 24, Lloyd George said that Germany was straining every nerve to strike a decisive blow before the American armies could be brought into the field. The Allied commanders who knew best what the prospects were, he added, felt most confident about the result. Mr. Lloyd George said that while the United States was rushing its men into France, the present strength of these armies was not equivalent to one-fifth of the fighting strength which was gained by the Teuton Allies through the collapse of Russia.

Reports received on Monday indicated that the looked-for offensive had been launched. Early in the morning strong German attacks developed against the British and French positions between Rheims and Soissons. The attacks were preceded by a heavy bombardment. The Germans also attacked that morning in Flanders, between Loere and Voormezeele, on the northern side of the salient. Coincident with the attack the bombardment of Paris was renewed. The long range guns, which had been silent for a long interval, began throwing shells into the city again.

The front of the German attack was along the sector which usually is referred to as the Aisne front, owing to the fact that for a long time the line of battle followed the Aisne river. The present battle line runs along the Ailette river north of the Aisne, over the larger part of this sector, the French having advanced their line. The front of attack is about 40 miles, which is about 15 miles shorter than the line on the original German attack on March 21.

Strike at New Sector

In turning to a new sector to strike their blow, the Germans have taken a course contrary to that which was generally predicted by military commentators in the last few weeks. The view usually expressed was that the Germans were committed so heavily to their campaign in Picardy and Flanders, and were occupying such dangerously exposed positions that they were under the necessity of striking again at those points when they resumed the attack. It is not unlikely, however, that the attack on the Aisne front will be followed by renewal of the offensive on the other battlefields. The German strategy may contemplate a surprise attack in sufficient strength to compel Gen. Foch to withdraw troops from the north, in the hope of involving the allies sufficiently on the Aisne front to weaken their lines in Picardy and Flanders.

If the Germans counted on the element of surprise to assist them in the new attack, they probably have fallen into a miscalculation as it is evident from the British statement that new dispositions of troops have been made along the Aisne front.

Submarine Menace in Hand

Regarding the submarine campaign, Lloyd George, in his Edinburgh speech said that while the menace of the under-sea boats had not been entirely removed the allied nations were now building ships faster than they could be sunk, and that the unstricted submarine warfare might be disregarded as a vital danger to the Allied nations.

The British mercantile cruiser Moldavia carrying American troops to Europe was torpedoed, and 56 American soldiers are reported missing. The Moldavia is the third troopship carrying American troops, to be torpedoed and the fifteenth troop ship to be sunk by the Germans.

Sinn Feiners Arrested

The government has adopted the policy of the iron hand in dealing with sedition in Ireland. On May 18, 500 Sinn Feiners were arrested at various towns in Ireland. These included de Valera, president of the Sinn Fein, Arthur Griffiths, founder of the movement; Countess Markievitz, and other prominent leaders. The action was taken, it was stated by the government, because the plot with Germany was being fostered. It is reported that papers found on de Valera showed that he expected to be able to raise a force of 500,000 men. It was expected to receive supplies from Germany by means of submarines. The Nationalists, who recently joined hands with Sinn Feiners in opposition to conscription in Ireland, repudiates any connection with the alleged plot. In his Edinburgh speech, Lloyd George intimated that the evidence did not show any complicity of the Nationalists in the plot. The general interpretation of the government's new plans is that conscription in Ireland will be side-tracked for a time while a scheme for voluntary enlistment is tried.

New Field Representative

Alex. Stewart.

Alex. Stewart, who has for many years been connected with farm journals in Western Canada, has joined the staff of The Grain Growers' Guide as field representative. He will be travelling over the three prairie provinces meeting the livestock men and will assist in extending the service of The Guide to build up livestock industry in these three provinces. Mr. Stewart has a very wide acquaintance among livestock men and is well in touch with all phases of the industry.

The Winnipeg Strike

Winnipeg's strike troubles were precipitated April 26 when the Federation of Civic Employees served an ultimatum on the board of control that staff workers receive higher salaries. The controllers were given 24 hours in which to inform the federation of its decision.

The board of control endeavored to placate the federation with a salary proposition that did not meet the wishes of the staffs. The board members thought that the employes would not strike. The prediction came true as far as the federation was concerned as it agreed to submit its differences to arbitration.

In the meantime the Electrical Workers' union submitted a new scale of wages, but immediate action on the part of the city was not taken to deal with it.

The electrical workers went on strike May 2, and the fire alarm operators joined them the same evening.

F. G. Glassco, manager of the light and power department, urged Mr. McBride to arbitrate and forwarded him a copy of a by-law passed by council providing for salary increases amounting to $147,500. The council decided to inform the men that if they did not return to work the next morning they would be dismissed and permanent employees appointed in their place. The men stayed out.

The council, May 3, declared war on strikers, a few hours after 85 waterworks operators joined the strikers. A deputation of business men supported the council's action.

The unions, Saturday, May 4, threatened a general strike. It was partially carried into effect the following Tuesday when 64 teamsters, employed by the health department walked out. The controllers met representatives of the strikers, but announced that nothing new had transpired.

The first rift in the strike cloud appeared May 9. The main stumbling blocks at that time were recognition of unions and the council's war bonus plan. City hall officials said they believed the difficulties were not insurmountable.

Mayor Davidson announced that the city recognized the unions. The city's strike committee, May 10, held a conference with union leaders. The sessions were continued until late Saturday night and ended in a virtually agreement on the strike committee's report granting increases satisfactory to the men.

The firemen, who contemplated striking immediately, refrained to allow the negotiators to continue their deliberations over minor questions involved.

The strikers declined to return to work until the committee report was ratified. The council Monday evening, May 13, balked at the report and the firemen struck next morning. They continued to fight a fire until it was out. They took the apparatus back to the halls and walked out. Twenty-eight experienced firemen refused to strike.

The city suggested an arbitration board May 15, and asked the unions if they would join with the city and apply to the minister of labor for a conciliation board. On the heels of the firemen's strike the telephone operators walked out the next day and labor leaders predicted the street railway men would strike. Women residents joined the telephone staff to keep the service in operation.

The city placed guards at fire alarm boxes and doubled the guards at the reservoirs and pumping plant. Business men held a mass meeting in the Royal Alexandra hotel the evening of May 16 and organized the Committee of One Hundred.

The Labor leaders said they were willing to send the men back to work on the strike committee's report basis and leave other questions to a joint conference. An alternative proposition for a referendum also was submitted.

The city council May 21 sent a peace plea to the Labor Temple by David Campbell. He held several conferences with both parties. Ottawa announced that Senator G. D. Robertson was on his way to Winnipeg to endeavor to reach a settlement.

Railway employees in the Canadian Pacific and Canadian Northern shops in Transcona, Weston and Fort Rouge went on strike in sympathy May 21.

Labor played its trump card Wednesday, May 22, by bringing out the street railway workers and tieing up the service. The city announced it depended on Robertson to effect a settlement. He arrived Wednesday night and Thursday morning urged the city not to insist on a non-strike agreement from firemen.

The same day railway carmen walked out—more than 1,000 of them. Senator Robertson and D. Campbell conferred with the city and union leaders in points until Friday evening, when both sides reached an agreement.