but that competition between the three companies will not produce as good results as a consolidation, as in that way all the grain collected by the three farmers' companies could be handled through one selling agency and thus be a dominant factor in the Canadian grain trade. By working together, also, and making good connections with British and Continental importers, the three farmers' companies also could undoubtedly build up an immense export trade, which would not only bring better returns to the farmers, but would also be a profitable business in itself. Just how such a consolidation or co-ordination can be worked out it is difficult to say at the present time, but it is a question which is of vital importance to the three provincial associations as well as to the three companies, which are really the children of the associations. This would be an excellent subject for discussion, and one in which there lie greater possibilities, probably, than in any other subject now before the organized farmers. The consolidation of the farmers' interests will give them a united front against all opposing interests, and will also put them in a position to develop a great co-operative movement handling not only the farmers' grain but everything else the farmer has to buy or sell. We invite correspondence upon this subject.

A $10,000,000 XMAS BOX

The shareholders of the C.P.R. last week received a small token of the esteem of their directors in the form of a Christmas box worth just $10,400,000. But while the directors of the C.P.R. handed this handsome gift to the shareholders, including themselves, they did not pay for it. Not at all. It is to be paid for by the people who ride on the trains, ship and receive freight, send telegrams and despatch express parcels. It is being done in this way. The C.P.R. wants some money to build more lines, bore tunnels and for other worthy purposes. The directors propose to obtain some of this money by issuing notes payable ten years hence, with interest at 6 per cent. per annum. The C.P.R. being financially sound, thanks to the generosity of the Canadian governments and the exploitability of the Canadian people, its six per cent. notes are worth considerably more than 100 cents on the dollar. Instead of realizing their full value, however, the notes are to be sold to the existing shareholders at 80 cents on the dollar, in the proportion of one $100 note to every five $100 shares held. A shareholder who has funds to invest, can thus secure an investment on gilt edged security, which will yield approximately 10 per cent. For the investment of $80 he will receive $6 a year in interest, which is just 7½ per cent., and in addition, at the end of ten years he will receive back his $80 with $20 added, which is another 25 per cent. for ten years, or 2½ per cent. per annum, making a total interest of 10 per cent. per annum. On the other hand the shareholder may get his Christmas box in a lump sum now by selling his "rights" to a share of the new issue. A London cable of December 9, containing the news of the announcement of the note issue, states that the rights were already being heavily dealt in at $4⅜ per existing share, which makes the value of each new $100 note now being sold for $80, just $101.87½. This is what is known in financial circles as a "melon." Compared with some of the previous C.P.R. melons it is a small one, for, if we disregard the odd $1.87½ per note, it amounts to only $10,400,000. Notes are being issued for $52,000,000, and at $80 per cent. these will realize $41,600,000. To put it another way it is equal to a supplementary dividend to the C.P.R. shareholders of 4 per cent., bringing the dividend for the present year to 14 per cent. This welcome Christmas box is being handed out in connection with the adoption of a new policy of segregation in connection with the land account of the C.P.R., and it is understood that the performance will be repeated annually. It is understood also, from the last annual address of Sir Thomas Shaughnessy, that the steamship department, the express company and the many other sidelines of the C.P.R. are to be segregated within the near future, and if the public, the Railway Commission and the Government stand for this melon, there is no doubt that as each department is segregated a few millions extracted from the pockets of the users of the C.P.R. will be handed to the shareholders. It is time the people of Canada really woke up to the fact that the C.P.R. was built with public money and that it is the business of Parliament to control that company and reduce its rates in such a way that it would not be able to take money from the pockets of the people to make $10,000,000 Christmas boxes.

THE LAKE FREIGHT COMBINE

It was recently announced in one of the Toronto papers that the new merger of steamship companies handling traffic on the Great Lakes had been completed. James Carruthers, the big grain exporter of Montreal, and president of the Richelieu and Ontario Navigation Company, is the moving spirit of the new merger, and reports state that the following companies are included in the combine: Inland Lines, Niagara Navigation Company, Thousand Islands Steamboat Company, St. Lawrence Steamboat Company, Lake Ontario and Quinte Steamboat Company, Northern Navigation Company, Quebec Steamship Company, Canada Interlake Lines, Ltd., and Ontario and Quebec Navigation Company. In addition to these subsidiary companies of the Richelieu and Ontario Navigation Company, there are several individual companies included in the new merger, which is now known by the name of Canadian Steamship Lines, and has been capitalized at $25,000,000, though public report does not state how much of this is water. Those who have studied the freight rates on grain across the Great Lakes point out the excellent field in which the new merger will conduct its operations. From Fort William to Buffalo and Port Colborne, a distance of 851 miles, it is stated that the rates are fairly well regulated by the competition of American boats carrying a large portion of Canadian grain from Fort William to Buffalo. Though the rates over this distance are considered rather high, yet it is not regarded as the section where the Western Farmers are greatly overcharged in the transportation of their grain. Indeed, some of the vessel men claim that a few of the boats over this route, which during the past few years have been chartered at from ¾ cents to ⅞ cents per bushel, have been operated below actual cost. But these rates have been uncommonly low, as they have varied from 1½ cents up to 3 cents for November, and occasionally higher. From Port Colborne to Kingston, a distance of 190 miles, there is no competition and very few independent steamers. The result is that the rates varied from 3 cents to 4½ cents per bushel or an average of nearly 1½ cents per bushel more than over a four times greater distance from Fort William to Port Colborne. Before the days of the merger the regular rate to Kingston was 1 cent per bushel over the rate to Lake Erie ports, and the time consumed was three and a half days extra from Port Colborne to Kingston and return. From Kingston to Montreal, a distance of 187 miles, there has been an advance in rates of 1⅞ cents per bushel, including the handling of the grain through the Kingston elevators. This service has always been practically a monopoly and the charges are very excessive The old rate from Port Colborne to Kingston of 1 cent, added to the former rate of 1⅞ cents from Kingston to Montreal, makes the charge 2⅞ cents per bushel. During the past season the rate over this same distance has averaged at least 3¾ cents per bushel, showing that ⅞ cents per bushel has been taken out of the farmers on the price of their grain by freight charges on Lake Ontario. But those who have investigated declare that it is on the through rates from Fort William to Montreal, a distance of 1,228 miles, where the monopoly gets in its best work. It is stated that the original mergers which have been absorbed in the Canada Steamship Lines, gives Mr. Carruthers' company a practical monopoly of all the steamships running from Montreal to Fort William and back. Though it has been impossible to get exact figures for the purpose of comparison, we are informed that the rates from Fort William to Montreal will average fully 2 cents a bushel higher that those in effect a couple of years ago, despite the large increases in the number of vessels plying over this line.

Two cents per bushel does not seem a very large toll on the farmers' wheat, but it means $20 on a 60,000 pound car, and it means $26.66 on an 80,000 pound car. Last week we showed that the combine in ocean steamship companies had taken an extra 4½ cents per bushel out of the farmers' wheat between the Atlantic ports and Liverpool, which means a loss to the farmer of $45 on a 60,000 pound car or $60 on an 80,000 pound car. While it is difficult to regulate the ocean steamship traffic, because of its international character, it should be a very easy matter to regulate any combine among the lake shipping companies, as the Canadian parliament has complete jurisdiction over this territory.

The cost of enlarging the Welland Canal is estimated at $50,000,000, the annual interest on which will amount to $2,250,000. It is stated that the expenses of operating the canal will absorb all tolls that are collected from vessels. If this $2,250,000 interest were used as a bonus it would be one cent per bushel on 225,000,000 bushels of grain, which is probably as much reduction in freights as the enlarged Welland Canal will provide. We are informed that a capital investment of $2,250,000 would build twenty vessels of full canal size to operate on the lakes, so it would not be a very expensive matter for the Government to break up the lake merger and reduce freight rates to a reasonable figure, by establishing a Government owned and operated line of lake steamers. At least the Government might make a thorough investigation into the matter and see if there is not some method by which western farmers can be saved this heavy toll upon all their grain passing across the Great Lakes.

VOTES STILL COMING IN

Have you marked your ballot in The Guide Referendum? If not, "Do It Now." Some thousands of ballots have been received, but there should be thousands more yet. The ballots were printed in The Guide of December 3, and nowhere else. There is a women's ballot and a men's ballot, and every reader of The Guide should vote and thus make the Referendum thoroughly representative.

A delegation representing the organized farmers of Ontario, Quebec, Manitoba, Saskatchewan and Alberta, waited upon the government on Tuesday to request the passage of legislation in the interests of the agricultural community and of Canada as a whole. Representatives of the railways, banks and manufacturers will also visit Ottawa, though they will not publicly announce the fact or what they will ask for. We shall see who will receive the most consideration during the coming session of Parliament.