

## Canadian Pacific Railway Company's Annual Report.

Following is the 32nd annual report over the signature of the President, Sir Thos. G. Shaughnessy:—

The accounts for the year ended June 30, show the following results:

Gross earnings.....	\$139,395,699.98
Working expenses.....	93,149,825.83
Net earnings.....	\$ 46,245,874.15
Net earnings of steamships in excess of amount included in monthly reports.....	1,245,563.03
Deduct fixed charges.....	\$ 37,491,437.18
	10,876,352.15
Surplus.....	\$ 36,615,085.03
Deduct amount transferred to steamship replacement account.....	\$1,000,000.00
Contribution to pension fund.....	125,000.00
	1,125,000.00
	\$ 35,490,085.03

From this there has been charged a half yearly dividend on preference stock of 2%, paid April 1.....\$1,473,386.53

And three quarterly dividends on ordinary stock of 1¼% each, paid Jan. 2, April 1, and June 30.....10,150,000.00

And interest on instalments on New stock subscriptions, paid Oct. 15.....569,813.87

\$ 12,193,200.40

\$ 23,296,884.63

From this there has been declared a second half yearly dividend on preference stock, payable Oct. 1.....\$1,486,626.79

And a fourth quarterly dividend on ordinary stock of 1¼%, payable Oct. 1.....3,500,000.00

\$ 4,986,626.79

Leaving net surplus for the year....\$ 18,310,257.84  
In addition to the above dividends on ordinary stock, 3% was paid from special income.

### DETAILS OF SPECIAL INCOME FOR YEAR

Balance at June 30, 1912.....	\$2,460,790.60
Interest on cash proceeds and on deferred payments for land sold.....	2,031,785.05
Interest on deposits and loans.....	1,201,906.69
Interest on C.P.R. 1st mortgage bonds acquired.....	63,461.33
Interest from Minneapolis, St. Paul & Sault Ste. Marie Ry. bonds.....	159,720.00
Interest from Mineral Range Ry. bonds.....	50,160.00
Interest from Toronto, Hamilton & Buffalo Ry. bonds.....	10,840.00
Interest from Kingston & Pembroke Ry. bonds.....	8,565.00
Interest from Dominion Government bonds.....	182,500.00
Interest from Ontario Government bonds.....	48,000.00
Interest from British Consols.....	114,569.44
Interest from Montreal & Atlantic Ry. bonds, and on other securities.....	552,298.89
Interest from Berlin, Waterloo, Wellesley & Lake Huron Ry. bonds.....	17,040.00
Dividend on St. John Bridge & Ry. Extension Co. stock.....	75,000.00
Dividends on Dominion Express Co. stock.....	240,000.00
Dividends on Minneapolis, St. Paul & S.S.M. Ry. common stock.....	890,645.00
Dividends on Minneapolis, St. Paul & S.S.M. Ry. preferred stock.....	445,326.00
Dividends on West Kootenay Power & Light Co. common stock.....	33,000.00
Dividends on West Kootenay Power & Light Co. preferred stock.....	3,850.00
Dividends on Toronto, Hamilton & Buffalo Ry. stock.....	164,246.00
Net Revenue from company's coal mines.....	305,237.93
	\$9,058,941.93

Less—Payments to shareholders in dividends:

Oct. 1, 1912, Jan. 2, April 1 and June 30, 1913.....

5,700,000.00

\$3,358,941.93

From this a dividend has been declared, payable Oct. 1.....

1,500,000.00

The working expenses were 66.82% of the gross earnings, and the net earnings 33.18% as compared with 64.89 and 35.11%, respectively, in 1912.

Four per cent. consolidated debenture stock for £1,938,394 was created and sold, and of the proceeds £1,051,619 was ap-

plied to the construction of authorized branch lines, and £886,775 to the acquisition of bonds of other railway companies whose lines constitute a portion of your system, the interest on which had, with your sanction, been guaranteed by your company. Four per cent. preference stock for £1,569,091 was created and sold, the proceeds being used to meet capital expenditures that had your previous sanction.

Your guarantee of interest was endorsed on 4% consolidated bonds of the M., St. P. and S. S. M. Ry. Co. for \$2,623,000, issued and sold to cover the cost of 131.15 miles of railway added to that company's system.

During the year 474,798 acres of agricultural land were sold for \$7,487,268. an average of \$15.77 an acre. Included in this area there were 7,944 acres of irrigated land which brought \$48.88 an acre, so that the average price of the balance was \$15.20 an acre.

Shares of ordinary capital stock for \$2,000,000, the difference between the capital stock outstanding and the amount authorized by the shareholders Oct. 7, 1908, were sold in the market early in the year and realized a premium of \$2,860,821.80, which will be used for additions and improvements to your property.

In pursuance of your policy of building and extending branch lines in Western Canada to provide present and incoming settlers with transportation facilities, a line is projected from near Swift Current, on your main line in Saskatchewan, in a northwesterly direction to cross your Lacombe branch at or about Coronation, and eventually to reach Sedgewick, a station on your line between Saskatoon and Edmonton, 290 miles. The first 115 miles of this line should be constructed without delay, and the balance in stretches as circumstances may seem to warrant; two other lines, one of which will run northwesterly from Bassano, on your main line in Alberta, to a connection with the Swift Current line, 118 miles, and the other from Gleichen to Shepard, 40 miles, should be built within the next year. These lines will serve important agricultural districts north and south of your main line and will answer all the purposes of a second track between the points mentioned for some years to come. The Weyburn branch, running south of, and parallel to, your main line in Saskatchewan and Alberta, to a connection with your Alberta railway south of Lethbridge, 436 miles, of which 196 miles have been constructed, or are in process of construction, under your authority, should be further extended year by year until completed. Branch lines from Gimli, Man., in a northerly direction for 26 miles, and from Snowflake, Man., in a westerly direction, 9 miles, and an extension of the Sutherland branch in Saskatchewan, 27 miles, will be of substantial service to settlers in these respective districts. Your directors will ask you to sanction the construction of such part of this mileage as you have not already authorized, and the issue, from time to time, of the requisite 4% consolidated debenture stock to meet the expenditure.

Among the important additions and improvements now in process of execution are, 29 miles of second track between Islington and Guelph Jct., on the Ontario Division, to cost \$750,000; 133 miles of additional second track between Sudbury and Port Arthur, on the Lake Superior

Division, to cost \$5,300,000; 178 miles of additional second track between Brandon and Calgary, to cost approximately \$5,000,000; 18 miles of second track and grade improvements, including a double track tunnel, five miles long, between Six Mile Creek and the Loop, near the summit of the Selkirk Mountains, at a cost, without electrification, of about \$8,000,000; 139 miles of second track between Revelstoke and Vancouver, in stretches where it will give the most immediate relief, to cost \$6,350,000. When this work is finished and the new lines between Regina and Shepard, to which reference has already been made, are constructed, there will be 200 miles of double track between Sudbury and Port Arthur, leaving 352 miles to be provided in the future; between Port Arthur and Calgary there will be 1095 miles of double track, leaving gaps aggregating only 165 miles, and between Calgary and Vancouver 158 miles of double track, leaving 488 miles to be built hereafter. A second track on such a large portion of your main line between Sudbury and the Pacific Coast will relieve the congestion that has prevailed from time to time and will enable you to handle your traffic more expeditiously and economically, and the construction of the long tunnel, between Six Mile Creek and the Loop, will eliminate 4½ miles of snowsheds that it would be necessary to reconstruct at very great expense if the present location of the railway through that section were adhered to. It is not the intention of your directors to proceed with the second track in the more difficult sections along the Thompson and Fraser Rivers until your Kettle Valley Line is ready for traffic between Midway and Hope, in 1915, so that you may have an alternative route available between Medicine Hat and Vancouver via the Crowsnest Pass if anything unforeseen should occur during the prosecution of the double track work to obstruct traffic on the main line.

You will be asked to approve the purchase of two intermediate steamships for the Atlantic trade, 500 ft. long, 64 ft. beam, 11,600 gross tonnage, 15 knots speed, to cost approximately £300,000 each, and two steamships for the Pacific Coast service, 395 ft. long, 54 ft. beam, capable of making 22½ knots an hour at sea, and to cost approximately £200,000 each. The two Atlantic steamships are urgently required for your second and third class passengers and freight traffic between European ports and Canada, and the two fast passenger steamers for the Pacific Coast will further improve the excellent service that you are now providing for the large and growing passenger business between Vancouver, Victoria and other ports on the Pacific Coast.

When the last issue and sale of ordinary capital stock was authorized by you, a portion of the proceeds of the sale was directed to be applied to the retirement of the outstanding 5% first mortgage bonds of the company that mature in 1915, and, therefore, your directors deemed it desirable to give notice to the holders in May last that the company would receive and pay for any of the bonds that might be surrendered before the end of the fiscal year. Pursuant to this notice bonds to the amount of £4,234,700, or \$20,608,873.33, were delivered and paid for. These, with the bonds that the company had previously acquired, make a total of £4,487,900, or \$21,841,113.33, that have been retired and cancelled, leaving outstanding bonds to the amount of £2,703,600, or \$13,157,520, to be re-