

# The Monetary Times

Trade Review and Insurance Chronicle

Vol. 42—No. 36.

Toronto, Canada, March 6th, 1909.

Ten Cents.

## The Monetary Times OF CANADA

PUBLISHED EVERY SATURDAY BY THE MONETARY TIMES  
PRINTING COMPANY OF CANADA LTD.

Editor—FRED W. FIELD.

Business Manager—JAMES J. SALMOND.

THE MONETARY TIMES was established in 1867, the year of Confederation. It absorbed in 1869, THE INTERCOLONIAL JOURNAL OF COMMERCE, of Montreal; in 1870, THE TRADE REVIEW, of Montreal; and THE TORONTO JOURNAL OF COMMERCE

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All mailed papers are sent direct to Saturday morning trains. Subscribers who receive them late will confer a favor by reporting to the Circulation Department.

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### CAPITAL IN CANADIAN RAILWAYS.

One billion, two hundred and thirty-nine million, two hundred and ninety-five thousand and thirty-five dollars represent the total amount of capital invested in Canadian railways. These figures show an increase for 1908 over 1907 of \$18,856,758 in stocks, and \$48,500,447 in funded debt, usually classified as bonds. That is a total increase for the year ended June, 1908, of \$67,357,205. The sum of \$1,239,295,013 is divided as follows: Stocks, \$607,425,349 and funded debt, \$631,869,664. These figures are given in the report containing Canadian railway statistics, just published by the Department of Railways and Canals.

This large sum is still further increased by adding the cost of the Intercolonial and Prince Edward Island Railways, owned and operated by the Dominion Government, the cost of the Temiskaming and Northern Ontario Railway, an Ontario Government enterprise, and of the New Brunswick Coal and Railway, a New Brunswick provincial undertaking. In addition, there is the expenditure upon the government section of the Transcontinental Railway between Moncton and Winnipeg, which up to June 30th had amounted to \$30,250,191. To obtain a fair total representing the investment of capital in railroads it is necessary to include the cash subsidies granted by the federal and provincial governments, as well as municipalities throughout the Dominion. Doing so, the aggregate of capital cost is as follows:—

|  |               |
|--|---------------|
| Cost of Intercolonial .....                      | \$ 87,575,952 |
| “ Prince Edward Island Railway....               | 7,697,827     |
| “ Temiskaming and Northern Ontario Railway ..... | 12,208,950    |
| “ New Brunswick Coal and Railway.                | 1,940,375     |
| Expenditure on Transcontinental .....            | 30,250,191    |
| Subsidies .....                                  | 185,671,736   |
| Total .....                                      | \$325,345,031 |

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Stocks and bonds .....

Grand total .....\$1,564,640,044

The further one delves into this capital question, the more complicated it becomes. Here we have a total of more than one and a half billions. But in any estimate of a railroad company's position, the land holdings must be figured. Many millions of acres have been granted in aid of railway construction. Their equivalent in cash, says the Comptroller of Railway Statistics, cannot even be estimated. While that is to a large extent true, it has been the custom of financiers to make some interesting railroad land deductions. The values of land areas controlled by the railroad companies represent a permanent equity, either in the direct sale of the land or by indirect returns from the ultimate yield they will give to the farmer, the miner and the community in general. A conservative estimate of the value of the Canadian Pacific Railway Company's land holdings, for instance, early in 1908 was \$120,000,000. Naturally, the permanent value to the railroad company of the lands that have been sold and those that will change hands, cannot be estimated. These holdings constitute a field for annual revenue for every railroad company's active operations that will add to the gross and net receipts of the roads.

The capital cost per mile of railways in Canada is not an easy matter for calculation. The lines owned by federal and provincial governments have neither stock nor bond issues, and their mileage, therefore, must be eliminated. The four government roads account for 1,986 miles, leaving 20,980 miles of corporation steel. Taking the latter figures as a divisor and the stock and bond issues as dividends, the results are as follow:—

|  |          |
|--|----------|
| Cost per mile in stocks.....           | \$28,952 |
| Cost per mile in bonds.....            | 30,117   |
| Cost per mile in stocks and bonds..... | 59,069   |