

amounts that run over ten years the debentures are advertised in the ordinary way, and have found ready sale, the usual rate being 5 per cent. The Canada Life Assurance Company have been heavy purchasers of Western school debentures this year, and the National Trust Company is another pretty steady customer.

C. P. R. STATEMENT.

Shows a Continued Condition of Unprecedented Growth.

Gross earnings	\$61,669,758
Net earnings	22,973,312
Surplus	16,592,215

The twenty-fifth annual report of the Canadian Pacific Railway sets forth, not only a remarkable expansion in that company's income, but a great relative gain of net earnings compared with gross.

The operations for the fiscal year ending with June 30th last are represented thus:

Gross earnings	\$61,669,758
Working expenses	38,696,445

Net earnings \$22,973,312

Net earnings of steamships in excess of amount included in monthly reports	\$ 954,577
Interest and dividend payments on auxiliary roads	1,316,870

\$24,942,766

From this gross should be deducted \$8,350,544 for fixed charges, which leaves the extraordinarily large surplus of \$16,592,215. The directors deduct from this \$500,000, representing what they decided to transfer to the fund for replacing steamships, and \$80,000 their contribution to pension fund, which makes \$16,012,215.

Two half-yearly dividends of 2 per cent. on preference stock, and of 3 per cent. on ordinary, paid April 2nd and October 1st last respectively, further reduce this by \$7,744,133, leaving a grand total for the year's operations, after paying fixed charges, operating expenses, and dividend, of \$8,268,082.

Receipts and Expenses Divided.

The earnings and working expenses for the year ending June 30th are thus tabulated:

Passengers	\$16,041,015
Freight	39,512,973
Mails	707,007
Sleeping cars, express, elevators, telegraph and miscellaneous, including profit from ocean steamships	5,408,761
Total	\$61,669,758

Working expenses—	
Conducting transportation	\$18,785,695
Maintenance of way and structures	9,105,249
Maintenance of equipment	7,369,565
Parlor and sleeping car expenses	231,688
Expenses of lake and river steamers	511,390
General expenses	1,964,093
Commercial telegraph	728,762

Total \$38,696,445

These working expenses figure out at 62.75 per cent. of the gross earnings, compared with 69.35 per cent. in the previous fiscal year, a showing which, in view of the high cost of labor and of raw materials, is a remarkably good one. The net earnings were 37.25 per cent. of gross income, compared with 30.95 per cent. last year.

During the year considerable stock was issued to provide for betterment of service, both in the land and water services. The sum of £2,531,273 was raised by an issue of consolidated 4 per cent. debentures, and this met the debt to the Province of Quebec, amounting to \$7,000,000 at 4½ per cent. interest in connection with the sale of the Ottawa-Quebec Railway, as well as paid for two new Atlantic steamships and partially for branch lines, preference stock to the amount of £1,000,000 was also issued for the purpose of putting on new equipment, etc.

Expansion of All Kinds.

A feature of the expansion in last year's traffic was its broad-based character. It did not depend solely on the great increase of the Western grain crops. The company transported last year 82,196,648 bushels of grain, compared with 59,739,180 bushels in 1905, and 5,094,535 barrels of flour against 5,010,868 barrels in 1905. But increases in other directions were no less noteworthy. Of lumber the C. P. R. freight movement in 1905-06 was 1,804,648,962 feet against 1,435,758,930 feet in 1905 and 1,267,861,321 feet in 1904. Manufactured goods carried by the C. P. R. increased from 3,250,067 tons in 1905 to 3,818,625 tons in 1906; live stock

from 1,300,560 head to 1,428,320; cordwood from 251,794 cords to 264,456; other articles, from 3,894,259 tons to 4,098,819 tons. Total tonnage of freight, 11,892,204 tons in 1904-05 rose to 13,933,798 tons in 1905-06, while mileage freight rose from 4,155,250,309 tons to 5,342,248,625 tons.

It is facts like these that set forth in such absolute black and white the remarkable growth of the Dominion; and that show it has now obtained such an impetus that no solitary set-back, such as the comparative failure of a single Western crop would be a serious obstacle either to that continued progress or to the prosperity of the C. P. R.

It should be remembered that large expenditures by the C. P. R., more particularly during the past year, are in a measure lying idle. Or rather, they have not begun in earnest to enlarge the company's income. Of such are branches now being constructed, with a total mileage of 923. Then there is the revenue accruing from other lines worked, representing a mileage of 438 miles, but which for various causes are not included in the C. P. R. traffic returns. The mileage actually so included is given at 8,776 miles.

Besides this, the Minneapolis, St. Paul and Sault Ste. Marie Railway, with a mileage of 2,153 miles, and the Duluth, South Shore, and Atlantic Railway, mileage 592, are controlled by the C. P. R., but no revenue therefrom is included, they being run as district properties. The latter road did not meet the year's interest on its bonds. Its earnings increased substantially, but were offset by the cost of a new ore dock at Marquette and other extraordinary expenses.

Capitalization and Assets.

The company's outstanding capitalization is \$101,400,000. In March, shareholders were given an opportunity to subscribe for \$20,280,000 new stock at par, of which, at last reports, \$4,595,190 had been already paid. These new issues of stocks have been more or less continuous in the past, as they are likely to be in the future, but so far traffic and the revenue derived therefrom have apparently kept pace with the increased capitalization. Against these increases may be set the liquidation of the \$7,000,000 debt to the Province of Quebec, already mentioned, and the deposit of certain sums with the Dominion Government for redemption of the \$15,000,000 land grant mortgage bonds, of which the balance at present is only \$1,500,000.

Investigation of the balance sheet discovers the company's assets to be \$335,320,394, represented by railway and equipment, \$225,721,418; steamers (excluding amount applied to reduction of cost), \$15,709,130, acquired securities, \$52,492,909, material and supplies on hand, accounts due, etc.

A highly important section of the C. P. R.'s resources, which has not been included in the above figures of assets or of revenue, consists of lands. The sales last fiscal year amounted to 1,115,743 acres, which realized \$6,513,452, or an average of \$5.84 per acre. Against the Dominion Government's mortgage of \$1,500,000 the company has on its books deferred payments on account of land and town sites sold of \$16,382,823. In addition, it owns 9,847,975 acres of unsold land in Manitoba, Saskatchewan and Alberta, and 3,625,375 acres in British Columbia, all which will doubtless fetch, on the average a considerably higher price than the above.

The disposition of revenue derived from these lands is naturally a question of great moment to financial circles. The directors are said by some to be evolving a plan for distributing profits to stockholders, by means of land scrip in proportion to the amount of railway stock held.

ANNUAL MEETINGS.

The annual general meetings of the undermentioned companies will be held this month on the days named:

- 10th. Oshawa Railway Co.
- 10th. Bay of Quinte Railway Co.
- 10th. Thousand Islands Railway Co.
- 11th. Quebec Railway, Light & Power Co.
- 12th. Nelson & Fort Sheppard Railway Co.
- 12th. Red Mountain Railway Co.
- 12th. Yale-Kootenay Telegraph Co.
- 13th. Montreal & Province Line Railway Co.
- 18th. Saskatchewan Bridge Co.
- 18th. Algoma Central & Hudson Bay Railway Co.
- 18th. Ottawa & New York Railway Co.
- 18th. Grand Trunk Pacific Railway.
- 19th. Grand Trunk Railway Branch Lines Co.
- 19th. Havana Electric Railway Co.
- 19th. Pacific Northern & Omineca Railway Co.
- 19th. Manitoulin & North Shore Railway Co.
- 19th. Vancouver, Westminster & Yukon Railway Co.
- 19th. United Empire Bank of Canada. (Special.)
- 20th. Duluth, South Shore & Atlantic Railway Co.
- 20th. Minneapolis, St. Paul & Ste. Marie Railway Co.
- 20th. Montreal Park and Island Railway Co.
- 25th. Ontario, Hudson Bay & Western Railways Co.
- 25th. Temiscouata Railway Co.
- 25th. Canada Atlantic Railway Co.
- 27th. Montreal and Southern Counties Railway Co.

The Monetary Times

A JOURNAL OF CANADA IN THE
PUBLISHED EVERY

The MONETARY TIMES was established in 1869, the INTERCOLONIAL JOURNAL in 1870, the TRADE REVIEW, of Montreal, in 1872.

Present Terms of Subscription:

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ADVERTISING RATES

PUBLISHERS: The Monetary Times
Canada, Limited,
HEAD OFFICE: 62 Church Street
Montreal Office: 24 Fraser Building,
for Quebec, New Brunswick,
and Newfoundland.—Hubert
Vancouver Office: Northern Bank
Agents for British Columbia and
Edmonton.—The British
Maguire, Managing Director.

Address all business communications to the
Everything affecting the editorial department
Advertising matter should be forwarded to
in no case should letters in connection with
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with them.

All papers are mailed on Friday
who receive them late or not at all
ing to the Circulation Department

THE WINNIPEG OFFICE OF THE
OPENED NEXT WEEK IN THE "F"

The Insurance

LORDS AND LIFE

An Inquiry Into Methods of
Businesslike, and

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The select committee, appointed last May, and consisting of Lord and Viscount Hutchinson, to enquire into the methods of business of foreign, including colonial, life insurance companies, has made its report public.

The enquiry, which was of a particular company's business was held in six sittings. The eighteen witnesses were the actuaries and other officers of the United States companies transacting business in Britain, and included Archibald, Faculty of Actuaries in Scotland.

President, Institute of Actuaries, London; F.L.A., F.F.A.; N. B. Gunder, F.L.A.; F. B. Wyatt, F.F.A.

The work of the committee was conducted with which the enquiry was of its report, and for practically the British Life Insurance Companies legislation which has worked a conduct of life insurance in Great Britain; that it would violate the the funds of a company should be of all policyholders alike; that if were adopted it would undoubtedly part of foreign Governments: that to suppose erroneously that the was guaranteed by the British Government imply a statutory basis of valuation would likely be to weaken, rather serves; that it would appear to give British subjects holding policies in under such limited State supervision