

of the banks giving reasonably full information on these points.

For some reason or other two of the smallest banks in Canada refuse to publish the results of their operations, and their figures are, therefore, not available for the statement. Also two of the new banks have not been in existence long enough to issue statements to their shareholders. With these four exceptions all the chartered banks of the Dominion are included.

CANADIAN PACIFIC RAILWAY COMPANY.

A RECORD OF ANOTHER PROSPEROUS YEAR IN THE HISTORY OF THE ROAD, DEVELOPMENT OF THE STEAMSHIP SERVICE, REDUCTION OF THE LAND GRANT BONDS, FURTHER EXTENSIONS OF BRANCHES AND DOUBLE TRACKING OF MAIN LINE, IMPROVEMENTS IN EQUIPMENT AND REDUCTIONS OF GRADIENTS, ADDITIONAL CAPITAL INCREASE PROMPTLY SUBSCRIBED, LARGE LAND HOLDINGS STILL KEPT OUT OF THE BALANCE SHEET OF THE COMPANY, PROSPECTS OF THE FUTURE OF THE ROAD VERY ENCOURAGING.

The 25th annual report of the Canadian Pacific Railway shows the business of the company for the year ended 30th June, 1906, and is in itself a compact expression of the prosperity and development of Canada in general. A comparison of the leading items with results in 1905 is interesting and shows results as under:—

	1906.	1905.	Increase.
	\$	\$	\$
Gross earnings	61,669,758	50,481,882	11,187,876
Working expenses	38,696,445	35,076,793	3,619,652
Net earnings	22,973,313	15,405,089	7,568,224
Income from inter., etc.	1,969,447	1,581,663	387,784
Total net income	24,942,760	17,059,751	7,883,009
Less, fixed charges	8,350,545	7,954,065	396,480
Surplus	16,592,215	9,105,686	7,486,529
Less amount applied on steamships, etc.	580,000	230,000	350,000
	16,012,215	8,875,686	
Dividends paid and declared 4%	1,660,133	1,515,133	145,000
Do do 6%	14,352,082	7,360,553	
Do do 6%	6,084,000	5,577,000	507,000
Surplus after paying dividends	8,268,082	1,783,553	6,484,529

The working expenses of the year amounted to 62.75 p.c. of the gross earnings and the net earnings to 37.25 p.c. as compared with 69.35 and 30.65 p.c. in 1905. This is a decided decrease in working expenses when compared with the years 1904 and 1905, and is to a certain extent attributable to the very open winter and light snowfall of last year.

Four per cent. Consolidated Debenture Stock to the amount of £2,531,273 was created and sold and out of the proceeds the debt of \$7,000,000, bearing interest at the rate of 4 1-20 p.c. per an-

num, due the Province of Quebec in connection with the purchase of the railway between Ottawa and Quebec was satisfied and discharged, and the remainder was used to meet expenditures for the construction of branch lines and of two additional Atlantic steamships.

Preference Stock to the amount of £1,000,000 was created and sold for the purpose of meeting expenditures sanctioned by the stockholders.

The land sales were 1,115,743 acres, which realized \$6,513,452, being an average of \$5.84 per acre. From the cash receipts from sales of land there was deposited with the Dominion Government towards the redemption of the \$15,000,000 land bonds mortgage a further sum of \$6,500,000, leaving a balance due on account of this mortgage of \$1,500,000, against which are deferred payments on account of land and townsites sold of \$16,382,823.

The two new Atlantic passenger steamships the "Empress of Britain" and the "Empress of Ireland" were put into commission during the year and have given great satisfaction to the public, besides establishing new records for the transatlantic voyage.

The construction of numerous branch lines is well under way and the line between Toronto and Sudbury is nearing completion. Several important connections have been acquired by the lease on long terms of smaller roads. The majority of the roads have been leased at a rental equivalent to 4 p.c. on the bond issues of the respective railways issued with the consent of the Canadian Pacific Railway.

An interesting item in the directors' report was the statement that all rolling stock that becomes obsolete or that is destroyed, both cars and locomotives, is to be replaced at the cost of working expenses, and this without reference to the increased capacity and cost of the modern standard of construction.

The additional ordinary stock offered to the shareholders at par as authorized by the special general meeting held on the 10th March, 1906, was all subscribed. The land holdings of the Canadian Pacific Railway at 30th June, 1906, were 9,847,975 acres in Manitoba, Alberta and Saskatchewan, and 3,625,375 acres in British Columbia, as stated earlier in this article the average price realized for land last year was \$5.84 per acre. The land assets of the company, of which no credit is taken in the balance sheet, are thus very large and must eventually return to the shareholders' benefit.

The earning of the company show very satisfactory gains, even over the large figures of last year, and with another good harvest to move to the seaboard, the increasing settlement of the West and the consequent additional freight business from the East, the outlook is for continued expansion and profit for this great transcontinental road.