

**THE CANADIAN PACIFIC RAILWAY.**

REPORT FOR YEAR ENDED 30TH JUNE, 1903; LARGE INCREASE IN EARNINGS; MODERATE WORKING EXPENSES; LARGE LAND SALES; DEBT NEARLY CANCELLED.

The complete Report of the Canadian Pacific Railway will not be published until 1st September next, but a preliminary statement has appeared of a most gratifying nature. The gross earnings for the past year were \$43,957,373, against \$37,503,053 in 1902, the increase in earnings being \$6,454,320. The working expenses of the year were, \$28,120,527 as compared with \$23,417,141, an increase of \$4,703,386. Thus we find that the increase in gross earnings was \$1,750,934 larger than the increase in working expenses. This resulted in the net profits of the immediate past year being \$15,836,845, against \$14,085,912 in previous year, the increase in profits for the year ended 30th June last, having amounted to \$1,750,934, which increase equals over 2 per cent. of the capital stock of the company.

The surplus of earnings over working expenses will be found to have been supplemented by receipts from other sources of revenue which will probably raise the revenue to over \$17,000,000. From this the fixed charges have to be deducted, which being estimated at last year's figure, will amount to \$7,334,825, leaving a balance of about 9½ millions.

In regard to the general financial position of the company the land sales have to be considered. These stated in round figures were as follows:—

1902		1903.	
Acres sold.	Sold for	Acres sold.	Sold for
July....155,000	565,000	January....103,000	429,000
August....130,000	471,000	February....184,000	749,000
Sept....146,000	543,000	March.....184,000	783,000
October....271,000	953,000	April.....207,000	884,000
Nov.....147,000	599,000	May.....187,000	618,000
Dec.....577,000	1,683,100	June.....350,000	1,421,000
Total realized from land sales.....		\$9,698,030	
Number of acres sold.....		2,641	
Average amount per acre.....		\$3 67	

The receipts from land sales are applied in reduction of the company's indebtedness which bears interest at 3½ per cent. When the amounts due for land sold are received in cash the land loan will be discharged and the company relieved from this annual charge, so that, if the traffic earnings continue to develop, or remain as large as last year, and the working expenses do not increase so as to counteract such favourable conditions, there is a good prospect of an increased dividend next year. When the complete report is published we shall have information as to the results of the steamer service and other subsidiary enterprises controlled by the company. The Canadian Pacific operates the longest transport service in the world. It stretches across the Pacific ocean, then runs over the entire length of the Dominion, and connects Canada by its Atlantic line with Great Britain, thus making a continuous communication between China and England.

**FRIENDLY SOCIETY CONVENTION IN MONTREAL.**

A Convention will be held in this city on 4th August next of "Associated Fraternities of the United States." It is expected that delegates will be present representing over 40 fraternal societies. The principal topic for discussion will be, the movement of the American Insurance Commissioners to place these associations on a sounder financial basis by requiring them to charge such rates for life assurance as, with ordinary prudence in management, will ensure their contracts being fulfilled. At present these Orders impose such rates and maintain such conditions as must, sooner or later, inevitably lead them into ruin. They have secured an exceedingly large membership by offering life assurance and other advantages of a beneficiary nature, at rates below their cost; from an actuarial standpoint. Many of them are conducted on the assessment principle, which has in its very nature the elements of decay and dissolution. It is, however, a hopeful sign that the organizers of the Fraternal Societies Convention have invited Mr. Hunter, the Ontario Inspector of Insurance, the Hon. C. W. Fletcher, Deputy Insurance Commissioner, Augusta, Me., U.S., and others to address the delegates who may be expected to give them such information and advice as will induce the Associated Fraternities to adopt such measures as will place all these societies on a sound basis.

The entire break up of these friendly societies and their disappearance is most unlikely. They fill a void in the social life of the majority in every community in a more desirable manner than can be done by other means. They help to provide artisans and others with companionship; with society; with interesting occupations outside their daily work; with opportunities for rising into such prominent official positions as their class prize highly. The members when sick have the comfort of friendly attentions, and the assurance that, their obsequies will be honourably performed, and their families sympathetically helped. Such conditions constitute the strength of friendly societies and are ever likely to be their supreme attraction, as they have ever been, in one form or other. Life insurance is a class of business of which very few of the members have any knowledge. To conduct life assurance successfully requires a high order of business talent; a sound judgment in regard to securities; with an expert knowledge of, and ability to apply actuarial principles. It would be unreasonable to expect such qualifications in the officers of friendly societies who are elected to conduct their financial affairs. It is, however, highly reasonable and prudent of such organizations to have their system of rates and conditions formulated and supervised by competent authority. The wisdom of this course will, we trust, be reorganized by the delegates present at the coming Convention of the Associated Fraternities.