

FINANCE and ECONOMICS

THIRTY MILLIONS NEW CAPITAL

For Canadian Pacific Railway—To be Issued at Premium of Twenty-five Per Cent. Over Par.

Monetary Times Office,
Montreal, October 7.

Thirty millions of new C.P.R. capital in the ratio of one share to five, as shown on the books of the company on November 15th, are to be issued, the price to be \$125 per share or at a premium of 25 per cent. over par. Payments will be made at intervals of about sixty days and interest will be allowed on the payments at the rate of 6 per cent. per annum. This was the most important announcement made at the annual meeting of the Canadian Pacific Railway, held here on Wednesday. The gathering convened at noon and dispersed at 12.30—a million dollars per minute conference. Sir William Van Horne, chairman of the board of directors, presided, and at his right sat Sir Thomas Shaughnessy, President of the Company, who stated that sanction had been obtained during the year for an increase of \$50,000,000 in the company's capital, making the total \$200,000,000, and that the directors had decided to anticipate many important expenditures by making a new issue in the proportion of 20 per cent. of the shares registered on November 15th. Further details as to the issue will be sent out by circular.

One Hundred and Ten Millions in Four Years.

The capital expansion of the C.P.R. during the past few years has been rapid. Since 1906 to date, and including the present \$30,000,000 to be issued, the capital increase has been \$110,000,000. The following table gives the details of the increases:—

	1906	1909	Inc. or Dec.	Inc. or Dec. %
Com. stock	*\$105,995,190	\$180,000,000	+\$74,004,810	+ 69.8
Pref. stock	42,719,999	52,696,666	+ 9,976,667	+ 23.3
Deb. stock	101,519,411	128,930,132	+ 27,410,721	+ 27.0
Funded debt	41,738,086	39,621,966	- 2,116,120	- 5.07
Total	\$291,972,686	\$401,248,764	+\$109,276,078	+ 37.4

President Shaughnessy commented upon the satisfactory gross earnings and the abnormally heavy working expenses, these being due to additional mileage and unavoidable causes. He considered that the abundant crops of the present season assured a substantial increase in the total earnings for the current year as well as an improvement in the ratio of working expenses.

Company's Land Business and Development.

The reference to the land business of the company was encouraging to shareholders. The irrigation project promised splendid results. The cash in hand resulting from the sales of the company's lands and townsites had now reached \$14,000,000 and the deferred payments exceeded \$18,000,000. He then referred to his trip over the company's lines and to the development in all parts served by them. The traffic prospects of the Soo line were satisfactory. The company had gained entrance to Chicago and Milwaukee by the lease of the Wisconsin Central to the Soo line, thus increasing the company's importance in the transcontinental business.

The lease of the Orford Mountain Railway, for a period of 999 years, was confirmed. The railway owns 58½ miles of line with a bond issue of \$702,000 and the C.P.R. guarantees the interest thereon.

Messrs. David McNicoll, Charles R. Hosmer, and Hons. Robert Mackay and James Dunsmuir were re-appointed for the coming four-year term, thus leaving the board as previously.

A full analysis of the C.P.R.'s annual report appeared in the Monetary Times of September 18th.

ANNUAL MEETINGS.

Company	Date	Time	Place
Quebec Central Railway	Oct. 13	noon	London, Eng.
Bedlington & Nelson Ry.	" 13	"	Kaslo, B.C.
Kaslo and Lardo Duncan Railway	" 13	"	Kaslo, B.C.
Kaslo and Slocan Ry.	" 13	"	Kaslo, B.C.

* Includes \$4,595,190 paid as subscriptions to \$20,280,000 new stock and also the \$30,000,000 issue authorized on Wednesday.

LA ROSE AND NIPISSING

Companies May Amalgamate, but the Shareholders Must Decide—Statistics of the Two Concerns.

Sixteen months ago, the Monetary Times stated that the Nipissing and La Rose mining companies would amalgamate when such action would serve the best interests of the two companies. To-day the amalgamation is considerably nearer consummation.

According to statements made this week to the Monetary Times by well-informed interests, there can no longer be any question that a scheme for the consolidation of the two mines is to be presented to the shareholders of the individual companies in the not distant future. The details of the amalgamation are being worked out by leading interests of both mines and while the decision depends entirely upon the acquiescence of the shareholders, they will likely be found to be acceptable.

Would Be Several Advantages.

Although reports of amalgamations between these two mines have been frequent during the past year they have always been denied by the interests which are now favoring the project. The details were in every way worthy of acceptance at the time, as the consolidation has been a fairly recent development, brought about more especially at the present moment by the tax imposed by the United States Government upon all corporations registered in the United States. This tax of one per cent. would alone mean many thousand dollars to the two companies and represents only one of the economies which the consolidation is designed to effect. These savings cover the whole mining field, from management to mining exploration and development, purchase of supplies and installation of plant, to say nothing of the handling of the output and the marketing of the metal.

The new company will be the biggest silver mining concern in the world, with actual silver reserves in sight, and probability of future ore bodies of large extent not yet discovered. It will place before the mining men and the markets of the world a Cobalt proposition of undoubted character which will not only attract attention to the Dominion but will tend to eliminate the multiplicity of wild-cat propositions, the bane of all bona fide mining endeavor.

Particulars of the Companies.

Up to the present, no suggestion as to the new capitalization has been heard. Provision may be made for taking in other mines from time to time, so that the authorized capital will probably be much greater than the combined capitalization of the two companies as they now stand.

The following are some particulars of the two companies, either accurately given or closely approximated:—

	La Rose.	Nipissing.
Capital	\$7,500,000 00	\$6,000,000 00
Par value per share	5 00	5 00
Market value	7 80	12 00
Capital, market value	11,700,000 00	15,000,000 00
Dividends paid	2,434,000 00	3,400,000 00
Number of shareholders	7,000 00	15,000 00
Ore shipped this year—percentage of total camp	22.4 %	22.23 %
Ore reserves	3,500,000 00	6,500,000 00

In estimating ore reserves, the La Rose figures are exclusive of the Lawson, the Violet, University, and Fisher-Epelt, and gives a nominal valuation to the Princess.

Combined, the two companies have shipped nearly one-third of all the ore sent out since the beginning of the camp, or roughly speaking, nearly 17,000,000 ounces of silver, and they own perhaps 70 per cent. of the valuable shipping acreage of the camp.

Taken at Present Valuation.

The general feeling is that the companies will be taken in at about their present proportionate valuation, many seeing in recent market developments an effort to reflect these values with reasonable accuracy upon the stock markets. Accepting stock market quotations, there is a consolidation of \$26,700,000, which would be perhaps one of the largest deals, representing actual market values, ever put through in Canada. It is understood that the leading interests have already discussed the whole situation with prominent Canadian bankers and financiers who are already largely interested in the two companies, and that the deal will be carried through with the responsibility which these interests can afford.