

Freight traffic, which declined last year by over 5,000,000 tons, is summarized in the following table:—

	1911	1913	1914
Tons hauled	79,884,282	106,992,710	101,393,989
Tons hauled one mile	16,048,478,295	23,032,951,596	22,063,294,685
Tons hauled one mile per mile of line	631,829	785,820	716,359
Average haul, miles	200	216	217
Freight train mileage	52,498,866	67,320,090	62,470,034
Mixed train mileage	6,277,468	7,044,194	7,126,841
Revenue from freight	\$124,743,015	\$174,684,640	\$163,663,744
Average tons per train	305	342	353
Average cars per train	18.03	18.00	18.40
Average tons per car	16.91	19.01	19.18
Average receipts per ton per mile, cent777	.758	.742

What constitutes the freight of our railroads is shown in the following figures for 1914, compared with the traffic of 1911 and 1913:—

	1911, Tons.	1913, Tons.	1914, Tons.
Products of agriculture	13,809,536	17,196,802	18,370,480
Products of animals	3,190,702	3,173,562	3,343,500
Products of mines	28,652,236	40,230,542	38,260,170
Products of forests	13,238,347	16,609,100	16,612,097
Manufactures	13,573,987	19,694,240	16,834,126
Merchandise	2,438,089	4,365,852	5,113,603
Miscellaneous	4,981,385	4,161,154	3,397,697
Totals	79,884,282	106,992,710	101,394,753

*Total contains 1,561,457 tons not distributed. aUndistributed 63,176 tons.

The following figures show the ratio which each class bore to the total:—

	1911.	1913.	1914.
Products of agriculture	17.17	16.31	18.11
Products of animals	4.00	3.01	3.29
Products of mines	35.87	38.16	37.73
Products of forests	16.57	15.75	15.79
Manufactures	17.00	18.68	16.62
Merchandise	3.06	4.14	5.43
Miscellaneous	6.33	3.95	3.03

Gross earnings for the year ended June 30, 1914, amounted to \$243,083,539.04 as compared with \$256,702,703.32 in 1913. This result represented a decrease of \$13,619,164.28, or 5.60 per cent.

Operating expenses had a total of \$178,975,258.90 as against \$182,011,690.33 for the preceding year. The decrease was \$3,036,431.43, or 1.69 per cent.

The rate of operating expenses to gross earnings was 73.63, as against 70.9 in 1913.

Gross earnings came from the following sources: Passengers, \$62,012,296.46; mails, \$2,500,175.88; express, \$6,444,214.02; baggage, parlor cars, etc., \$1,607,516.84; freight, \$165,753,730.45; station and train privileges, \$1,044,737.28; telegraphs, rents, etc., \$3,720,868.11. Total, \$243,083,539.04.

The total earnings from transportation for the year amounted to \$238,317,933.65, as compared with \$251,521,366.93 in 1913.

While net capitalization of the railroads in the United States is 8 times that of Canadian roads, net earnings of United States roads are 13 times those of our railroads. The following table compares net earnings during the past three years:—

	United States.	Canada.
1914	\$845,200,000	\$64,100,000
1913	957,200,000	74,700,000
1912	871,100,000	68,700,000

A study of these figures indicates that the development of Canadian mileage and railroad debt have been very fast and that business for that mileage to pay the interest on the railroad debt, is the most important railroad problem now.

BONDS OR DEBENTURES?

The following letter comes to *The Monetary Times* from Mr. C. H. MacLillie, manager of the Canadian Bond Company, Philadelphia:—

"Now that Canadian municipals are being received with such favor in the United States markets, it seems to me to be a good idea that you suggest to the various bond houses in Canada, that they designate securities, bonds or notes, etc., and leave off the word 'debentures' entirely. The term 'debentures' is seldom used in the United States.

"As an illustration, I refer to a statement in your paper giving the various issues which have been sold recently in this country, in which you mention the University of Alberta 1st mortgage 4½ per cent. gold bonds as 'debentures,' and in the circular by the bond house which bought these securities they include these bonds (together with a list of other Canadian bonds) under the one heading of 'Canadian municipals.' This causes a great deal of confusion and it seems to me that the moment is opportune to call attention to this matter."

A. MACDONALD COMPANY'S REPORT

The decision by the directors of the A. Macdonald Company, Limited, not to make further dividend disbursements for the present is, in view of the company's position, a proper one. The earnings were sufficient to provide for dividends on the outstanding preferred stock, but permanent arrangements have yet to be made for payment of the mortgage notes of \$400,000, for provision for the intangible assets, represented by the claim against the Dominion Bond Company of \$184,379.20, and deferred charges account of \$81,588.11. With this object in view, the surplus of \$153,783.08, as shown in profit and loss statement, has been disposed of in the following manner:—\$75,000 has been set up as a reserve against Dominion Bond Company claim; \$10,000 has been set up as a reserve for further possible losses on outstandings; \$53,004 has been carried to credit of special reserve, thereby increasing that credit to \$93,169.50; and \$15,779 has been credited against deferred charges account. This company had its share of financial troubles under the old regime and the present directors will be wise in taking a very conservative course.

Last year's results were fairly satisfactory. Sales were unfavorably affected by the general depression throughout the earlier part of 1914, and more drastically affected, following the severe damage to crops through drought, resulting in a decrease from \$7,318,412.51 (for 13 months), to \$5,703,339.33 (for 12 months), or a difference of \$1,615,073.18. Collections exceeded sales by \$27,000, a good showing, considering the prevailing financial stringency.

The percentage of profit on cost of sales was well maintained notwithstanding unexpected competition, and amounted to \$187,827.57, which, when compared with \$321,273.39 for the previous 13 months, shows a shrinkage of \$133,445.82, this amount being represented by \$131,891.08 decreased gross profits on reduction in sales, additional losses for bad debts, and reduced income from other investments.

There are outstanding \$400,000 of mortgage notes, (\$200,000 less than a year ago), one-half of which is payable November 1, 1915, and the balance November 1, 1916. Efforts have been made to provide for these amounts, by way of long term mortgage loan or bond issue on the company's properties, and negotiations are now under way to that end.

The National Trust Company is now in its new building at 153 St. James Street, Montreal. This company continues its record as one of the progressive financial institutions of Canada.