If, it might be argued, the Company can maintain such a degree of development during a season of indifferent crop results over one of particularly large returns, it is conceivable that, with the growing wealth of the country and the increasing numbers of immigrants, there will be a continuous series of similar increases that will more than maintain the present rate of earnings on the capital stock of the railway company. Even on the 1907 standard of earnings and the 1908 requirements of interest and dividend payments, there would still be a very substantial surplus to be carried forward to the following year.

The increase in passenger business on the Canadian Pacific Railway system has been on a very large scale as, for the year ended June 30, 1903, there was $11,001,973 from that source, compared with $19,528,878 for the last fiscal year. With the advent of the fast steamship service the Company has gained a great advantage over other railroads through its better facilities for booking through to Western points, and even to points that are reached by the "Empresses" sailing on the Pacific Coast. A large tourist trade is also encouraged, and the revenue from British and United States travellers is growing to very respectable proportions. The Company also carries many thousands of immigrants from coast to coast, which greatly aids in the sum total of gross receipts.

As might be expected, the freight business has also grown abnormally during recent years, and, taking the same years for purposes of comparison, it is seen that for the year ending June 30, 1903, freight returns were $28,502,081 as compared with $45,885,968 in the year ended June 30, 1907. The main part of this latter traffic is grain and lumber, while flour, manufactured articles and live stock are factors of much importance to the business of the road.

Some Notes on Stock Outstanding.

In relation to the large increase of capital stock of the Canadian Pacific Railway Company, it will be useful to review the Company's ability to meet the entire amount that will be outstanding, say, at the end of the current fiscal year. The amount of common stock outstanding on December 31, 1907, was $121,680,000, and the amount to be issued out of the newly authorized $28,360,000 is $24,336,000, thus bringing the entire capital paid in to $146,116,000; but as this entire amount will not be paid in until about the end of October of this year, and only 60 per cent. of it paid in by the end of the present fiscal year, the increase in dividend obligations will not be so heavy as might be considered at first sight. Extra dividends on the new common stock will probably not exceed $130,000 for this fiscal year.

The new preferred stock of $7,500,000, issued in the early months of 1907, will, however, come in for the full dividend payments by the end of the fiscal year, but that will only total in the aggregate some $300,000, and is also a very insignificant amount by contrast with the surplus over dividends of the last fiscal period, 4 per cent. only being the rate of disbursement on the preferred.

When the entire $150,000,000 of common stock is paid in there will be an annual sum of $8,766,960 required to meet the full dividend, and for the year ending June 30, 1907, there was a total sum of $16,639,805 available for this purpose, after making due allowance for the preferred dividend charges, and including net profits from subsidiary roads, such as dividends and interest on stock and bonds held by the Company in the Sault Ste. Marie Railway Company and other roads controlled by the Canadian Pacific stockholders.

There is absolutely no danger that the directors will allow the capital expansion to outrun the dividend capabilities, as, notwithstanding the tremendous amounts issued during the past five years, the last two or three annual financial statements have shown the common stock to be well looked after in the matter of surplus earnings.

Within a period of five years the Company has floated over $80,000,000 of common or ordinary stock, and a total of nearly $120,000,000 of bonds preferred and common in the same period. Despite this large amount of new stock, which after all had been a nucleus of the system's increased earning powers, there has been rather a strengthening than a weakening of shareholders' equities.

National Crisis Only Would Disturb.

It might be said, without fear of contradiction, that no less than a national commercial crisis could reduce the surplus available on the Canadian Pacific's common to below an 8 per cent. basis, and that, in the circumstances of Canada's present unique position in the eyes of the Old Countries, would probably be restricted to within a very short period. The 8 per cent. earned would be ample to meet the dividend requirements, to say nothing of the thirty odd millions surplus shown in the general balance as at June 30, 1907. All things considered, however, it is unlikely that the earnings will be so materially reduced within at least the next few years. The stock is strictly a 6 per cent. railway issue, although it pays an extra 1 per cent. from the receipts on account of land sales.

INTERESTING BANKING DECISION.

Third Party Notice on Ontario Bank Set Aside—Notes of Judge's Arguments.

The motion of the Ontario Bank, third parties, in the case Trusts and Guarantee Company v. Munro, to set aside the third party notice served upon them was decided in chambers by Master Cartwright last month.

The plaintiffs were liquidators of the Hamilton Manufacturing Company, and sought to recover from the defendants a sum of nearly $2,000, which was admittedly drawn out of the assets of the company and paid to the defendants, as trustee for his co-defendants, when the company was confessedly insolvent and proceedings were already begun to have the company wound up. Hamilton was president of the company and uncle of the other four defendants, of whom only one is now adult.

The adult defendants urged that these and other moneys were only deposited by Hamilton with the company for safekeeping, that the company knew it was the money of the infants, and that the sum sought to be recovered was lawfully withdrawn, and no right in respect thereof ever passed to the plaintiffs. The defence also alleged that on October 14th, 1905, when the children were all under age, the sum of $1,340.57 was standing to the credit of defendant Hamilton in trust for them in the Ontario Bank, which he withdrew and applied with the knowledge of the bank on their account with the company. After delivery of defence, the service of a third party notice as against the bank was allowed, on the application of Hamilton and the adult beneficiary. The bank moved to set this aside on the ground that it was not a proper case for this proceeding.

In giving judgment, the learned judge said:

"If the facts are as alleged, the beneficiaries would appear to have a cause of action against the bank, though Hamilton himself would not as a joint tort-feasor with it. That cause would not in any way arise by virtue of a recovery by the plaintiffs from the defendants of these same moneys. If the beneficiaries have any right to recover from the bank, they could at any time have taken proceedings against. Such claim is certainly not an indemnity nor does it seem to come within the words any 'other relief over. The right to recover from the bank if it exists is not one which 'has its existence solely because the defendants' may be adjudged to the plaintiffs. The order should be set aside, with costs to be paid to the bank forthwith, and to the other parties in the cause in any event."

CANADA NORTH-WEST LAND COMPANY, LIMITED.

The annual meeting of the Canada North-West Land Company, Limited, will be held at 21 Jordan Street, Toronto on March 25th. This company, as our readers are aware, is in liquidation. In consequence of the severe winter of last year and of the recent financial stringency throughout the continent, there has been a great reduction in the farm land sales of the company during 1907, only 15,471 acres for $175,362 having been sold as compared with 60,342 acres for $592,655 in 1906. But the average price has materially improved, being $11.33 per acre as against $9.82 in the previous year. Town site sales also show a reduction compared with last year.

The liquidation of the company is progressing satisfactorily. On 15th March, 1907, a repayment of $12.50 per share, amounting to $733,500 was made to the shareholders, and a further repayment of $7.50 per share, aggregating $440,107 was made as of 15th January, 1908, reducing the capital stock of the company to $294,073, or $5 per share par value.

The directors hope to make a further repayment of $4 per share during the current year, reducing the capital stock to $1 per share, at which it may remain until the final winding up of the company. It is intended to make provision by way of a special reserve fund for the ultimate repayment of the $1 per share, and, thereafter, as warranted by receipts from new sales and from old land contracts—which now amount to $1,615,793—payments will be made to shareholders by way of dividends.

The directors of the company are: President, Sir W. C. Van Horne; vice-president, E. B. Osler, M.P.; R. B. Angus, W. D. Matthews, R. Meighen, W. C. McIntyre, Sir T. G. Shaughnessy, T. Skinner, Lord Strathcona and Mount Royal, and the secretary-treasurer, S. B. Sykes.

COLONIAL INVESTMENT COMPANY OF WINNIPEG.

The shareholders of the Colonial Investment Company of Winnipeg have cause for satisfaction after a perusal of the financial statement of the company. The profits for the year