

Stock Exchanges and Investments

RAILROAD EARNINGS IMPROVE.

Contributory Factors to Good Results — Outlook is Satisfactory.

The increase of the Canadian Pacific dividend from seven to eight per cent. is again drawing attention to the large profits earned by this road. In the past year the profit available for dividend upon the common stock is \$25,500,000, equal to a dividend of 17 per cent. upon the \$150,000,000 of stock. The amount of the stock has now been increased to \$180,000,000, and upon this the profit earned is equal to a dividend of over 14 per cent. Out of the profits of the past year the dividend paid is 7½ per cent., and there is a surplus of nearly \$14,000,000 available for betterments and capital purposes. The expansion in the gross earnings for the year was nearly 25 per cent., and the increase in the net earnings was nearly 50 per cent. The following table shows the nature of the results obtained.

Income Statement of the Canadian Pacific Railway.

	1908-9.	1909-10.	Inc. or Dec.
	\$	\$	\$
Gross earnings	76,313,000	94,990,000	+18,677,000
Operating expenses	53,358,000	61,150,000	+ 7,792,000
Ratio	(69.92)	(64.37)	— (5.55)
Net revenue	22,955,000	33,810,000	+10,885,000
Miscellaneous income	3,807,000	4,837,000	+ 1,030,000
Net income	26,762,000	38,677,000	+11,915,000
Fixed charges	10,307,000	10,897,000	+ 590,000
Net profit	16,455,000	27,780,000	+11,325,000
Dividend on 4% pref.	2,108,000	2,208,000	+ 100,000
Balance	14,347,000	25,572,000	+11,225,000
Dividend on common	10,500,000	11,683,000	+ 1,183,000
Do. %	7%	7½%	+ (½)
	3,847,000	13,889,000	+10,042,000

Half Year of Grand Trunk.

The past half-year's results of the Grand Trunk have also proved satisfactory. After a lapse of two years, the directors were able to declare the full dividend upon the second preference stock in the first half year. This dividend is possible after charging revenue with £120,000 in reduction of engine and car renewal suspense account. If allowance be made for this fact, the profit after the payment of the full dividend on the second preference stock would have been £132,000, and would have nearly admitted of the payment of the full half-year's dividend upon the third preference stock. The improvement in the results of the past half-year will be recognized from the following comparison:—

Results of Grand Trunk Proper.

	1908.	1909.	June half-year, 1910.
	£	£	£
Gross receipts	2,919,200	2,866,400	3,321,600
Operating expenses	2,137,300	2,079,200	2,456,000
Net receipts	781,900	787,200	865,600
Charges, less Mis. Inc.	485,900	440,500	448,900
Balance	296,000	346,700	416,700
Subsid. lines' net def.	115,500	66,800	69,500
Surplus	180,500	279,900	347,200
Brought forward	6,700	12,200	11,800
Balance for dividend	187,200	292,100	359,000
Dividend on Guar. (4%)	185,600	196,700	197,700
Balance	1,600	95,400	161,300
Dividend on 1st. Pref. (5%)	Nil.	85,500	85,500
Balance	1,600	9,900	75,800
Dividend on 2nd Pref. (5%)	Nil.	Nil.	63,200
Carried forward	1,600	9,900	12,600

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The influx of new population, a large harvest, and the receipt of much British American and foreign capital contributed to these satisfactory railroad results. The crop outlook for the present year is not as favorable, but there has been no diminution in the inflow of new population and capital. The indications are that the current year will be a prosperous one for the railroads which should show earnings at least equal to those of the year just closed.

A farmer's ambitious boy entered an insurance office to grow up in the business. After a couple of weeks he returned to the farm, and being asked how he liked the business, replied: "It ain't what it's cracked up to be, and I'm sorry I learnt it."

STOCKS AND BONDS—TABLE NOTES.

(l) listed.

(u) unlisted.

*There are \$850,000 bonds outstanding.

†Crow's Nest Pass Company.—By the bonus issue of July 15th, 1908, 6 per cent. on present total capitalization is equal to 10 per cent. on former capitalization.

‡Quarterly.

§Half-yearly.

Prices on Canadian Exchanges are compared for convenience with those of a year ago.

Quotations of Cobalt Mining Stocks are those of Standard Stock and Mining Exchanges.

All companies named in the tables will favor The Monetary Times by sending copies of all circulars issued to their shareholders, and by notifying us of any errors in the tables.

Montreal Steel stocks are commonly termed "Switch" on the Exchange. They are quoted as Montreal Steel in our tables.

Montreal prices (close Thursday) furnished by Burnett & Company, 12 St. Sacramento Street, Montreal.

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