

CANADIAN PACIFIC RAILWAY'S YEAR

Revenue and Expenditure—Retirement of Bonds—
Many Improvements Made.

The thirty-second annual report of the directors of the Canadian Pacific Railway, being for the twelve months ending with June 30, shows the following results:—

Gross earnings	\$139,395,699
Working expenses	93,149,825
Net earnings	\$ 46,245,874
Net earnings of steamships in excess of amount included in monthly reports	1,245,563
	\$ 47,491,437
Deduct fixed charges	10,876,352
Surplus	\$ 36,615,085
Deduct amount transferred to steamship replacement account, \$1,000,000, and contribution to pension fund, \$125,000	1,125,000
	\$35,490,085

From this there has been charged a half-yearly dividend on preference stock of 2 per cent., paid April 1st, 1913 ..	\$ 1,473,386
And three quarterly dividends on ordinary stock of 1¼ per cent. each, paid January 2nd, 1913, April 1st, 1913, and June 30, 1913	10,150,000
And interest on instalments on new stock subscriptions, paid October 15th, 1912	569,813
	\$ 12,193,200
	\$23,296,884
From this there has been declared a second half-yearly dividend on preference stock, payable October 1st, 1913 ..	\$1,486,626
And a fourth quarterly dividend on ordinary stock of 1¼ per cent., payable October 1st, 1913	3,500,000
	\$ 4,986,626

Leaving net surplus for the year\$ 18,310,257

In addition to the above dividends on ordinary stock, three per cent. was paid from special income.

The working expenses for the year amounted to 66.82 per cent. of the gross earnings, and the net earnings to 33.18 per cent., as compared with 64.89 and 35.11 per cent., respectively, in 1912.

Stock Issues and Financing

Four per cent. consolidated debenture stock to the amount of £1,938,394 was created and sold, and of the proceeds the sum of £1,051,619 was applied to the construction of authorized branch lines, and £886,775 was devoted to the acquisition of the bonds of other railway companies whose lines constitute a portion of the system, the interest on which had been guaranteed by the company.

Four per cent. preference stock to the amount of £1,569,091 was created and sold, the proceeds being used to meet capital expenditures that had been previously sanctioned.

The guarantee of interest was endorsed on four per cent. consolidated bonds of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company to the amount of \$2,623,000, issued and sold to cover the cost of 131.15 miles of railway added to that company's system.

During the year 474,798 acres of agricultural land were sold for \$7,487,268, being an average of \$15.77 per acre. Included in this area there were 7,944 acres of irrigated land which brought \$48.88 per acre, so that the average price of the balance was \$15.20 per acre.

Shares of ordinary capital stock to the amount of \$2,000,000, being the difference between the capital stock outstanding and the amount authorized by the shareholders October 7th, 1908, were sold in the market early in the year and realized a premium of \$2,860,821.80, which will be used for additions and improvements to the property.

Completion and Construction of Lines

In pursuance of the company's policy of building and extending branch lines in western Canada to provide present and incoming settlers with transportation facilities, a line is projected from a point near Swift Current, on the main line in Saskatchewan, in a northwesterly direction, to cross the Lacombe branch at or about Coronation, and eventually to reach Sedgewick, a station on the line between Saskatoon and Edmonton, a total distance of 290 miles. The first 115 miles of this line should be constructed without delay, and the balance in stretches as circumstances may seem to warrant; two other

lines, one of which will run northeasterly from Bassano, on the main line in Alberta, to a connection with the Swift Current line, a distance of 118 miles, and the other from Gleichen to Shepard, a distance of 40 miles, should be built within the next year. These lines will serve important agricultural districts north and south of the main line and will answer all the purposes of a second track between the points mentioned for some years to come. The Weyburn branch, running south of, and parallel to, the main line in Saskatchewan and Alberta, to a connection with the Alberta Railway south of Lethbridge, a total distance of 436 miles, of which 196 miles have been constructed, or are in process of construction, should be further extended year by year until completed. Branch lines from Gimli, Manitoba, in a northerly direction for a distance of 26 miles, and from Snowflake, Manitoba, in a westerly direction, a distance of 9 miles, and an extension of the Suffield branch in Saskatchewan, 27 miles, will be of substantial service to settlers in these respective districts.

The directors will ask the shareholders to sanction the construction of such part of this mileage as have not already been authorized, and the issue, from time to time, of the required 4 per cent. consolidated debenture stock to meet the expenditure.

Much Double Tracking

Among the important additions and improvements now in process of execution are, 29 miles of second track between Islington and Guelph Junction, on the Ontario Division, to cost \$750,000; 133 miles of additional second track between Sudbury and Port Arthur, on the Lake Superior Division, to cost \$5,300,000; 178 miles of additional second track between Brandon and Calgary, to cost approximately \$5,000,000; 18 miles of second track and grade improvements, including a double track tunnel, five miles in length, between Six Mile Creek and the "Loop," near the summit of the Selkirk Mountains, at a cost, without electrification, of about \$8,000,000; 139 miles of second track between Revelstoke and Vancouver, in stretches where it will give the most immediate relief, to cost \$6,350,000.

When this work is finished and the new lines between Regina and Shepard, to which reference has already been made, are constructed, there will be 200 miles of double track between Sudbury and Port Arthur, leaving 352 miles to be provided in the future; between Port Arthur and Calgary there will be 1,095 miles of double track, leaving gaps aggregating only 165 miles, and between Calgary and Vancouver 158 miles of double track, leaving 488 miles to be built hereafter.

A second track on such a large portion of the main line between Sudbury and the Pacific coast will relieve the congestion that has prevailed from time to time, and will enable the company to handle traffic more expeditiously and economically, and the construction of the long tunnel, between Six Mile Creek and the "Loop," will eliminate four and one-half miles of snow-sheds that it would be necessary to reconstruct at very great expense if the present location of the railway through that section were adhered to. It is not the intention of the directors to proceed with the second track in the more difficult sections along the Thompson and Fraser rivers until the Kettle Valley line is ready for traffic between Midway and Hope, in 1915, so an alternative route will be available between Medicine Hat and Vancouver via the Crow's Nest Pass if anything unforeseen should occur during the prosecution of the double track work to obstruct traffic on the main line.

The purchase of two intermediate steamships for the Atlantic trade, 500 feet long, 64 feet beam, 11,600 gross tonnage, 15 knots speed, to cost approximately £300,000 each, and two steamships for the Pacific coast service, 395 feet long, 54 feet beam, capable of making 22½ knots per hour at sea, and to cost approximately £200,000 each, is to be approved by the shareholders.

The two Atlantic steamships are required for second and third-class passengers and freight traffic between European ports and Canada, and the two fast passenger steamers for the Pacific coast will further improve the service now being provided for the large and growing passenger business between Vancouver, Victoria and other ports on the Pacific coast.

Twenty Million of Bonds Retired

When the last issue and sale of ordinary capital stock was authorized a portion of the proceeds of the sale was directed to be applied to the retirement of the outstanding five per cent. first mortgage bonds of the company that mature in 1915, and, therefore, the directors deemed it desirable to give notice to the holders in May last that the company would receive and pay for any of the bonds that might be surrendered before the end of the fiscal year. Pursuant to this notice, bonds to the amount of £4,234,700, or \$20,608,873.33, were delivered and paid for. These, with the bonds that the company had previously acquired, make a total of £4,487,900, or \$21,841,113.33, that have been retired and cancelled, leaving outstanding bonds to the amount of £2,703,600, or \$13,157,520, to be redeemed and cancelled as opportunity offers.

For the convenience of those desiring to make transfers in Montreal of shares of your ordinary capital stock, the Bank of Montreal has been appointed registrar and the Royal Trust Company has been appointed transfer agent for the Montreal register.