

ridiculous and impossible to attempt to say, either what have been, or what ought to have been, the earnings *per mile* of an incomplete road of such an exceptional character as the Canadian Pacific. The railway has been incomplete; most of the country through which it passes is undeveloped; much of it is still absolutely without population; and traffic, commerce, everything, has to be created. Above all, the through traffic may be said not to have yet commenced. That a line with all these things against it should already be earning a substantial amount in excess of its Fixed Charges is astonishing, and cannot but be gratifying to its shareholders. These charges for 1886 amount to \$3,110,000, over which the net earnings for the year—the last two months still being estimated—will apparently show a surplus of some \$500,000. As the Fixed Charges will, presumably, not increase for some time to any very large amount, beyond the figure given on the previous page, whereas in the nature of things, with only an ordinary increase in the population and business of the country, the traffic receipts must yearly show a large development, the financial success of the undertaking seems as assured as the construction of the railway.

It is only right to point out, before leaving the financial branch of the subject, that the Company, in the 14,500,000 acres of farming land still left to it in the North-West, possesses a reserve of capital that cannot be estimated to-day at less than 4,500,000*l.* sterling; an estate that costs its owner nothing in taxes, and of which, by a process of 'unearned increment,' the value is year by year rapidly growing. On these matters the Directors of the Company, whose promises and predictions have certainly been hitherto more than fulfilled, may fairly be listened to; and this is what they said to their shareholders in their last Report:—

'In conclusion, the Directors beg to renew their expressions of entire confidence in the success of the enterprise, as a commercial undertaking. With its main line stretching from the Atlantic seaboard to the shores of the Pacific; with its extensive system of branch and connecting lines, enabling it to reach the chief centres of trade in Canada and the Northern United States, with its own steamships on the great Lakes, and all this under one management; with the further great advantage of having only to provide for a total capital charge, including bonds, leases, and ordinary shares, of less than

period of nine years the Grand Trunk net earnings averaged \$1850 per mile. Those of the Great Western of Canada, during six years, \$1165. The Northern of Canada, during the past four years, \$1360, and the Northern Pacific, during the twelve months ending Sept. 1886, at the rate of \$2190 per mile. The Canadian Pacific can pay its fixed charges by earning only \$750 per mile.

\$30,000