

system?"—"Including the Sault Ste. Marie Line, which is just completed, the total mileage is 4,650. The company is working in addition the South Eastern Railway, embracing 272 miles, of which it is the chief owner, but the earnings and expenses of this are not included in the Canadian Pacific figures in any case. The length of the main line from Montreal to Vancouver is 2,906, or from Quebec to Vancouver 3,052 miles."

"How do you divide such an extensive railway for working purposes?"—"It is divided into four grand divisions, each under a general superintendent, and each of these is more or less divided into working sections under divisional and assistant superintendents. The Ontario and Atlantic Division comprises the Ontario and Quebec Railway from Montreal to Toronto, the various lines radiating from Toronto to St. Thomas, London, Owen Sound, &c., and the lines south and east of the St. Lawrence River, including for working purposes the South-Eastern Railway—in all a little more than a thousand miles. The Eastern Division includes all of the main line from Quebec and Montreal to Port Arthur, at the west end of Lake Superior, the Brockville, Prescott, and other branches, and the new Sault Ste. Marie Line—in all something more than fifteen hundred miles. The Western Division embraces the main line from Port Arthur to Donald, on the Columbia River, and includes the branch lines in Manitoba, in all about nineteen hundred miles. The Pacific Division embraces the greater part of the mountain section of the main line, extending from Donald to Vancouver, the Pacific terminus, and also a branch to New Westminster on the Fraser River, in all a little less than five hundred miles. The main line from Montreal to the Pacific is divided into twenty-three working sections of about one hundred and twenty-five miles each. A working section covers the ordinary daily run of a locomotive."

"Then twenty-three different locomotives are required to move a train between Montreal and the Pacific terminus?"—"Yes."

"What number of men are employed in working all of the lines?"—"About fifteen thousand, excluding those employed in the construction of the lines."

"How many men were employed during your most active period of construction?"—"The entire force at times exceeded forty-two thousand men."

"What is the present extent of the company's rolling stock?"—"It has about four hundred locomotives, four hundred cars of various kinds for passenger service, and about ten thousand freight cars; but large additions are to be made immediately."

"The sleeping-cars are managed by the company itself, are they not; differently from the American roads?"—"Yes; and the dining-cars, telegraph lines, grain elevators, and everything else. We have no 'side shows,' as they are sometimes termed. Even the town sites, so far as they could be controlled, belong to the shareholders."

"The company has a land grant: what is it, and where is it?"—"It has remaining

about fifteen million acres. The lands are all in the prairie country between Winnipeg and the Rocky Mountains—all good agricultural lands."

"No bad with the good?"—"No; under the contract with the government the company was permitted to select its lands, and every section is carefully examined before it is accepted. I am glad to say that we had reason to reject but a very small percentage."

"How many acres have been sold up to this time, and what average price has been realized?"—"Exclusive of the six and a half million acres resold to the government, three and a quarter million acres have been sold at an average of three dollars per acre."

"Will the remaining lands bring as much?"—"They should bring more. It has been the policy of the company to direct settlers to the free government lands rather than to press sales of its own. All of the free lands within easy reach will be taken up within a year or two, and then the railway lands will be in active demand at increased prices. Our experience in this respect has been the same as that of the American land grant railways. Their sales were slow until free government lands were out of the way."

"Is there not a mortgage on the land grant?"—"Yes, but the bonds issued under it have mostly been redeemed and cancelled."

"For what purpose are the proceeds of land sales to be used?"—"They are depended upon to meet the future wants of the company in the way of rolling stock, general improvement, and additional facilities of all kinds. It is expected that the lands will yield a sufficient amount for all such requirements, so that the debt of the company will not have to be increased to provide for them—no watering of stock, that is."

"Will any large expenditures in this direction be required?"—"Yes; and I trust that we shall not be disappointed in having to make them. While in one sense the railway is completed, in another and larger sense it is far from it. As the traffic grows, more rolling stock, repair shops, sidings, warehouses, grain elevators, wharves, and a thousand other things must be provided, and this for a system of five thousand miles of railway, in a new and rapidly growing country, will require a large amount of money. The facilities for traffic are already far beyond anything we thought of three or four years ago, but they are already found inadequate."

"Is the increase mainly in through or local traffic?"—"In local traffic, chiefly. The gross earnings of the company for the present year will reach nearly twelve million dollars, of which more than 95 per cent. comes from local traffic."

"In what does this local traffic chiefly consist?"—"It comes from the mines, and the forest, and agriculture. New saw-mills and flour-mills are appearing from week to week along the line, and new villages as well. In the past four years the settlements have advanced westward into the forests of Ontario two hundred miles, following the main line of the railway. In the North-West they already extend 420 miles west from Winnipeg,

to say nothing of the important developments and thriving towns 400 miles further on. In the ranch country, at the eastern base of the Rocky Mountains there are numerous mining towns, some of which are not six months old. The lumber shipments from the mountains to the plains east have already reached large proportions."

"It has been stated that the Lake Superior section of the line is worthless, and an encumbrance upon the company. How is that?"—"It is the greatest possible mistake. At the present time we have six or eight freight trains daily each way over that section of the line, and it is likely that this number will be kept up throughout the winter. The Canadian Pacific would be nothing without this connecting link. Moreover, I believe that the mineral resources of the Lake Superior section will before many years make that section of the line self-sustaining, without regard to the through traffic."

"Is coal being found along the line of the railway in the West?"—"We have one of the largest coal fields in the world. The entire country from the Rocky Mountains eastward for more than two hundred miles is underlaid with one or two beds of workable coal of good quality. Our supply for locomotives on all our lines, in Manitoba and west to the Pacific, comes from local coal mines."

"Is the coal bituminous or anthracite?"—"Both; the coal of the plains is bituminous, and in the mountains are great deposits of anthracite, some of which have already been opened up, and shipments from them have been as far as San Francisco in the one direction, and St. Paul and Minneapolis, in Minnesota, in the other. The quality is practically the same as that in Pennsylvania."

"What is the present bonded debt of the company?"—"The company's own issue of bonds amounts to thirty-five million dollars, but, in addition to this, it has assumed the bonded debt of several lines purchased in the East, amounting in all to about nine millions more."

"And what is the capital stock?"—"Sixty-five million dollars."

"How does the Canadian Pacific debt compare with that of the Grand Trunk and with that of the American Transcontinental Lines?"—"It is vastly less than any of them."

"How do you account for the difference?"—"The Canadian Pacific was built at a time when all materials were exceptionally cheap, and it was built directly, and for cash for those who intended to keep it."

"What is the company's indebtedness to the government, and what is the nature of the government's liens upon the property?"—"The company does not owe the government a penny. It paid all its debt to the government in full two years ago, and the government has no claim whatever upon the property."

"What are the fixed charges for the present year?"—"Three million two hundred and forty-nine thousand dollars."

"But in your last annual report it was stated that the fixed charges would be more than this?"—"Yes, but that was from the last