

## EARNINGS SHORT OF FIXED CHARGES

## Canadian Northern Railway's Report of Operations for Past Year

The Canadian Northern Railway's annual report for the first time includes the operations and accounts of the system as a whole.

The results of the operations of the system for the fiscal year ended June 30th, 1915, are as follows:—

Gross Earnings.	
From passenger traffic .....	\$ 5,411,224
From freight traffic .....	18,207,800
From express, mail, telegraph, interest and profits from elevators and other subsidiary companies, investments, etc. ....	2,293,081
	<hr/> \$25,912,100
Working Expenses.	
(Including taxes, etc.) .....	\$19,288,814
Net earnings .....	\$ 6,623,291
Deduct—	
Fixed charges .....	8,263,574
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Net loss or deficit .....	\$ 1,640,283

"The gross earnings of the system show a decrease of \$5,544,362, or 17.63 per cent., compared with the previous year's figures," states Sir William Mackenzie, president of the company.

"The working expenses were 76.66 per cent. of the gross earnings of the system proper and, including taxes, 74.44 per cent. of the gross earnings from all sources, compared with 76.74 per cent. and 76.60 per cent respectively last year.

**Net Earnings were Insufficient.**

"It is a matter for sincere regret that notwithstanding the most rigid economy exercised in the operation of the company's lines, the net earnings for the past year were insufficient to meet the fixed charges for the same period. It is perhaps unnecessary to say that this is the first occasion of its kind. Your directors feel, however, that, having regard to the abnormal conditions which prevailed, added to the fact that they exercised the closest supervision of the company's revenues, they were able to avert even greater losses than those shown in the report.

"Land sales during the year were 9,866 acres, for \$158,272, an average of \$15.53 per acre, compared with an average of \$15.23 per acre for the preceding year. Land grant bonds of the issue of 1909 amounting to £122,700, or \$597,140, were retired, leaving in respect of this issue outstanding \$2,490,273.

"Car trust obligations were created to the extent of \$2,000,000 for the purchase of cars of different kinds. During the year \$3,533,000 was repaid in respect of previous obligations, thus making a net decrease on this account for the year of \$1,533,000. The amount outstanding is now \$20,490,500, but inasmuch as the aggregate purchases of equipment amounted to \$56,761,448, it will be seen that very substantial repayments have been made on that account.

**Unsold Lands Held.**

"It has not been the practice in previous annual reports of the Canadian Northern Railway to incorporate in its accounts by way of an asset the value of unsold lands owned by the company. In view of the fact, however, that other subsidiary companies of the system had also unsold lands amongst their assets, your directors decided to place a valuation on such lands and to include the amount in the assets of the consolidated balance sheet. The amount therein shown is \$20,074,380, represented by the following acreage in the different provinces, as under: Manitoba and Saskatchewan, 857,720 acres; Ontario, 2,000,000 acres; Quebec, 402,860 acres. The valuation is a most conservative one, and whilst producing the amount mentioned, the sales to settlers will materially add to the traffic returns of your system in due course.

"There has in the past been a real need for the company's lines in the economic development of Canada. There will be the same need in the future. These lines have been

located with careful regard to the development of the maximum amount of traffic. With an efficient modern equipment and a roadbed of the highest physical standard it would appear that the success of the Canadian Northern Railway as a Canadian transcontinental system is assured.

"Since the close of the fiscal year business conditions have substantially improved."

The figures compared with those of the last return are as follows:—

	1914.	Per cent.	1915.	Per cent.
Gross earnings ..	\$31,456,469.19		\$25,912,106.30	
Operating expenses ..	24,095,914.52	76.60	19,288,814.42	74.44
Net earnings ...	7,360,554.67	23.40	6,623,291.88	25.56

## COBALT ORE SHIPMENTS

The following are the shipments of ore in pounds from Cobalt Station for the week ended September 1st:—

Kerr Lake Mine, 60,483; La Rose Mines, 86,945; Dominion Reduction Company, 81,000; Nipissing Mine, 420,073; McKinley-Darragh-Savage Mines, 165,310; Coniagas Mines, 159,435. Total, 973,246 pounds, or 486.6 tons.

The total shipments since January 1st, 1916, now amount to 20,885,955 pounds, or 10,442.9 tons.

## INSURING THE WESTERN CROP

Most line hail insurance companies charge 6 per cent., or \$60 per \$1,000 insurance. A limit of not more than \$10 per acre under crop nor more than \$2,500 on any one section, and \$20,000 to a township, is made. The governments of Saskatchewan and Alberta only pay loss up to \$5 per acre, and government insurance is raised by districts of ten townships and upwards, going under a special hail tax of about two cents per acre. Manitoba has the inter-municipal hail insurance act, and 25 municipalities are required jointly to bring the act into force.

## MARCONI WIRELESS COMPANY OF CANADA

The balance sheet of the Marconi Wireless Telegraph Company of Canada as at January 31st, 1916, is printed on another page, and shows that in addition to property, stations, patents, etc., valued at \$5,446,521, the company has cash at bank, on hand and on loan of \$101,146. The statement does not show what proportion of that amount is on loan. In addition, there is a reserve of \$118,409 for doubtful accounts. The surplus account shows that the company made a profit of \$110,226 for the year. From this had to be deducted \$30,138, being interest on advances and a reserve of \$5,000 against accounts receivable. This left a net profit of \$80,815—a very satisfactory figure. The directors reported that the company's business continues to show substantial expansion. The most gratifying feature during the year just concluded has been the steady development of the company's transatlantic traffic.

The company's plant in Montreal has been kept fully occupied in supplying the demand for additional installations on board ships and commercial stations, as well as in meeting increased government requirements. A growing sentiment is apparent amongst progressive shipowners that no vessel engaged in coastwise or ocean trade is fully equipped unless furnished with a Marconi wireless installation, and wireless stations aboard ship are now being viewed with favor, even on vessels exempt by law from compulsory equipment. A total of 2,300 mercantile vessels have up to the present been fitted with Marconi wireless stations by the various Marconi companies.

The adverse effect caused to the company's normal traffic to and from ships, owing to the stringency of censorship imposed on commercial messages, has unfortunately continued in evidence throughout the current period. The basis of remuneration from the government for the use of a number of the company's coast stations taken over by the department of naval service since the commencement of hostilities, and for other services rendered, is still under consideration, and an equitable settlement is awaited in the near future.