Previously, in Article 9, the growth of the funded debt of the Canadian Pacific Railway in the past decade in contrast with the expenditure during each of the years of that decade was exhibited. In this article a more detailed analysis of the Company's balance sheet for the year just closed, 1912, with that of 1902, 10 years ago, is made with a view to determining in detail how the company has invested the monies realized by the issue of new securities or that have been earned in the intervening period.

The difference between the liabilities of 1902 and those of 1912 will show with reasonable accuracy the new capital received in 10 years, and the sums accumulated in the form of reserves and balances. Table 1 has been compiled to show what these differences are. It will be seen that the items of liability which show an increase aggregate $372,993,264, and those showing a decrease aggregate $55,378,005, the net increase, therefore, being $317,615,305.

How Money Was Raised.

The items which show an increase, and which aggregate $372,993,264, indicate in what particular respect the funds of the Company have increased. These items are as follows:—

Increase 1902-1912.

Capital Stock	$124,182,459
4 per cent Preference	35,524,097
4 per cent Debentures	90,291,219
Total Capital	$249,997,775
Current Liabilities	17,633,665
Equipment Obligations	1,040,000
Equipment Replacement Funds	2,103,993
Steamship Replacement Funds	5,721,852
Appropriations for Improvements	3,535,712
Reserve for Contingencies	4,382,617
Land Sale Proceeds	29,877,318
Surplus	58,700,332
	$372,993,264

It will be noted that the Company, during the period 1902-1912, accumulated some substantial reserves, which appear as liabilities. For the additional liabilities incurred during the 10 year period, as quoted above, let us proceed to determine what equivalent in assets there is to show for them. To do this it will be necessary to find the difference in the assets of the Company as between 1902 and 1912, which is shown in Table 2.

How New Money Was Spent.

By reference to that table it will seem that the difference in the amount of assets is $317,615,305. The details of the increase in assets in 10 years, from 1902 to 1912, shows how the new money acquired in that period was spent, as follows:—

Increase in Assets 1902-1912.

Railway and Equipment	$152,756,410
Steamships	17,312,597
Acquired Securities	40,646,410
Properties held in trust	4,592,947
Deferred Land Payments	34,247,886
Advances to Lines under Construction	14,499,928
Investments	12,360,997
Supplies of Land	8,566,901
Current Assets	6,620,661
Government Securities	9,857,976
Cash on hand	18,401,123
	$317,615,305

Liabilities Wiped Out 1902-1912.

In addition to increasing the assets the Company, in that period, wiped out liabilities amounting to $55,378,005, as follows:—

Mortgage bonds	$ 8,589,450
Land Grant Bonds	16,430,000
Interest and rentals	388,860
Cash Subsidies	29,969,680
	$ 55,378,005

In the foregoing tabulation of the 10 year increase in assets the Company's lands are not included. Nor is any account taken of the $36,000,000 taken out of the cash proceeds of land sales, and put into railway and equipment, but written off cost of property. A cursory examination of the figures shows that the Company has not within 10 years increased its funded debt to a considerable extent. The increase in the 4 per cent Preference Stock and the 4 per cent. Debentures has been $125,000,000 in ten years, or $12,500,000 per year. Of this amount no less than $40,646,410 has been invested in acquired securities. This leaves practically $80,000,000 for purposes of new road or equipment. It is not a large sum to be raised by a Company operating so large a mileage in a country that has been peculiarly responsive. Canada has produced wealth fast enough to make the investment of every dollar of new capital very productive. In fact the complaint generally made is that the Company is not keeping pace with the yield of natural riches which the road has made accessible for exploitation.