

States aroused, as well it might, the warm approval of an old Yankee contractor at work on the Canadian Pacific. 'When a man breaks the law here,' he said, 'justice is dealt to him a heap quicker and in larger chunks than he has been accustomed to in the States. I tell you there is a way to do it, and they *are* doing it here, right from the scratch.'

Although we are not writing for financial readers, still the question will naturally be asked, What has been the outlay on all this gigantic work, what is the capital charge of it to the Company, and is a sufficient rate of interest likely to be provided by the traffic receipts? It is needless to say, that the Company has received substantial aid from the Dominion Treasury, as well as constant moral support from the Government. It is equally needless now to recapitulate the various forms which at times that aid assumed. Suffice it to say that, on one side, the Company's contract is admitted to have been honestly and satisfactorily fulfilled, while on the other it has already repaid to the Government all the money advanced to it in excess of the original subsidy. Each party to the contract is now, therefore, clear of the other.

On the Canadian Pacific proper the capital charge appears to stand at 7,000,000*l.* sterling, in 5 per cent. bonds, placed on the London market by Messrs. Barings, and 13,000,000*l.* in shares. For the latter an annuity of 3 per cent. per annum for ten years, expiring in August 1893, was purchased, out of capital, from the Dominion Government. This is an inalienable payment secured to the shareholders, totally irrespective of any surplus earnings that in the meantime may be available in the form of dividends. The main line, however, and its branches and leased lines are treated by the Company as one system, and as such must be regarded. The total liabilities of the whole system, capitalized, represent about \$135,000,000, say 27,000,000*l.* sterling. (This includes an estimate for the cost of the St. Lawrence bridge, &c.) Taking the total mileage when completed at 4500 miles, this represents exactly \$30,000, or 6000*l.* per mile—certainly an extraordinarily low capital charge. After making as careful an allowance as we can, to cover all the additions made since the last Report was issued, we shall not be far wrong in placing the Fixed Charges for 1887 at \$3,340,000, to cover which the line only requires to earn \$750, say 150*l.* per mile.\* It has hitherto been both  
ridiculous

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\* We have said that there is no other railway whose position is so parallel to the Canadian Pacific as to allow of useful comparisons being made between them. But, for whatever they may be worth, we give the following figures. Over a period