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RAILROADS AND THE MONEY MARKET.

When reproached for not supplying facilities for expeditiously moving the freight offered by shippers throughout the country, the railroads answered that they were doing the best they could to increase and improve their equipment, but that it was a physical impossibility for the various plants manufacturing railroad equipment to turn out the goods rapidly enough to keep pace with the increase in freight offerings. It will be interesting to trace the development of the Canadian Pacific's equipment in the last two years, as shown in the three annual reports 1905, 1906, 1907.

EQUIPMENT.

	<i>As at 30th June, 1905.</i>	1906.	1907.
Locomotives	1016	1109	1,296
Passenger cars, baggage and colonist sleeping cars	881	997	1,191
Sleeping and dining cars.	141	160	224
Parlor cars and official cars	47	50	51
Freight and cattle cars....	30,101	34,152	40,405
Conductors' vans... ..	602	658	722
Service cars... ..	1,189	1,745	2,108

A very substantial gain all along the line is shown here. The two items in which most interest will be taken are locomotives and freight cars. The former shows an increase of 28 p.c. in the two years, the latter, one of over 33 p.c. It is pretty well known, moreover, that since the Grand Trunk Pacific and the James J. Hill invasion of the Western territory came nearer the time of accomplishment, the Canadian Pacific has been making special efforts to provide the equipment required to move the traffic along its lines. Therefore, it is reasonable to expect that further substantial increases in motive power and in car capacity will be seen in 1908 and 1909.

Then, there is to be taken into account what the other railroads are doing. The Canadian Northern, though small as yet compared with the C.P.R., and though its operations were well nigh paralyzed in the severe weather of last winter, is steadily growing in importance, adding to its mileage, increas-

ing its equipment, and bringing the widely scattered units of its system into connection and consolidation. Canadian Northern commences this fall season with more in the way of facilities than it had last year. And next year, without a doubt, a further addition will be made to its traffic-moving resources. Though the Grand Trunk Pacific can hardly be much of a factor, in the caring for Western freight for some time yet, it should be in position to make a fair beginning during the grain season of 1908-9. When its new equipment is added to the new equipment to be furnished by the Hill lines in Western Canada, and when to that are added the new facilities furnished by Canadian Pacific and Canadian Northern there should be a very substantial change in the freight conditions in this country.

In the meantime the immigrants will, doubtless, continue to pour in, new land will be broken for crops, and the general development of Canada will proceed apace. So that the work which railroads must do will also be rapidly getting bigger.

As one result of the expected shortage in this year's Western crop the railroads will have an improved chance of catching up with the freight requirements of the country. They have added largely to their equipment and mileage, and the work which their equipment is called on to perform may not show its normal annual increase. By another year, as mentioned above, there will, in all probability, be quite an extraordinary addition to the railroad facilities. It is not out of the way to expect, then, that for the next two years the railroads will be able to perform their duties as common carriers in a manner much more satisfactory than they have in the two years just passed. If this expectation is realized the circumstance should have no little influence on the monetary situation. 'Tis well known that blockades of grain and other freight have done much to aggravate the tightness of money. The banks have made their usual large advances to grain dealers and millers on the security of grain at country points. Ordinarily they can depend on this grain going forward promptly, first to Fort William or Duluth, and later to Montreal or Buffalo, for export, on the accomplishment of which the bank loans would be repaid and the banks have their funds again in hand available for repeating the operation or for some other purposes. Not so last year. In quite a number of cases then, loans made on grain at interior points comparatively early in the season, remained absolute lock-ups for many months. The banking funds could not be turned over so quickly or so often as usual; it was not possible to extend aid and support in divers directions as has been the case in the past.

A complete removal of the railroad traffic con-