

The 1908-9 Record of the C.P.R.

C.P.R. gross earnings, from railway operations alone, were \$76,313,321 for the year ending June 30, 1909—giving an increase of nearly five million dollars over the preceding year and of over four millions over the 1907 record. Net earnings of \$22,955,573 are well beyond those of 1908, though considerably less than the 1907 showing. Increase in operating costs during a year when many American roads showed decreases may be taken as indicating that the C. P. R. did not deem it necessary to help out its net showing by reducing maintenance expenditures. The upkeep of the road to a high degree of efficiency—and its betterment in various particulars—appears to be a settled policy, whether traffic be heavy or light.

Gross and net earnings as compared with those of the five preceding years have been as follows:

Year ended June 30,		
1909.....	\$76,313,321	\$22,955,573
1908.....	71,384,173	21,791,366
1907.....	72,217,528	25,303,309
1906.....	61,669,758	22,973,312
1905.....	50,481,822	15,475,088
1904.....	46,469,132	14,213,105

Giving in more detail the operations of the past and preceding year, the following summary may be arrived at from the directors' report:

	1909	1908
Gross earnings.....	\$76,313,321	\$71,384,169
Op. exp.....	53,357,748	49,591,803
Net earnings.....	\$22,955,573	\$21,792,366
Other income.....	2,306,488	2,654,633
Total income.....	\$25,262,061	\$24,446,999
Charges.....	9,421,033	8,770,077
Balance.....	\$15,835,028	\$15,676,922
SS. replacement and pension funds.....	880,000	880,000
Balance.....	\$14,955,028	\$14,796,922
Dividends.....	11,107,867	9,217,207
Net surplus for year....	\$3,847,161	\$5,579,715

Largely increased requirements for both fixed charges and dividends arose from issue of new securities, including \$24,336,000 common stock which was finally paid up in October, 1908. But with increased capitalization, enlarged sources of income are being steadily secured by additions to the company's lines and improved facilities for handling traffic.

Canadian Pacific Dividends Unchanged

The Canadian Pacific is at once the wonder of American railroad experts and the despair of Wall Street manipulators. To show gross earnings for the year ending June 30, 1909, over five per cent. greater than the record figures of 1907,—this is an achievement to make United States roads "reckon." As for Wall Street, whether it "bulls" or "bears" C. P. R., the

stock has a fashion of keeping to the even tenor of its way. In times past, more than one bear raid has been sigally routed; ready investment buying at any tendency to a lowered level having sent the bears hurrying to cover.

More recently the bulls took a turn—roundly asserting that "according to trustworthy sources" an increased land allowance would be declared, practically placing the stock on an 8 p.c. basis. But at this week's meeting of the directors, unchanged dividends were declared. These consist of 2 per cent. on preference stock and 3 per cent. on common stock for the half-year ending June 30. As there is in addition the usual payment of ½ per cent. on common stock out of the interest on proceeds of land sales, the common stock's yield is the same as before, viz., at a rate of practically 7 per cent.

C.P.R. Spiral Tunnel.

The latest illustration of the old proverb, that "the longest way round is sometimes the shortest way home" is the Canadian Pacific's new spiral tunnel in the Rocky Mountains. The work makes the line four and a quarter miles longer, but it reduces a 4.5 grade to 2.2 maximum, while the average is less than 2 per cent. Two engines can now haul a train up the incline which formerly needed four and while the four engines could make only four or five miles an hour, the two can get up at twenty-five miles an hour; and all trains either ascending or descending will be much safer for the change. The work has occupied a thousand men nearly two years, has cost about \$1,500,000; and it is hoped will prove a profitable investment at the price.

United States Tariff.

The Payne Tariff Bill which was signed by President Taft last week is now in force, and there is some speculation as to whether the President will use the discretionary powers it gives him to retaliate against any Canadian province which imposes export duties on lumber going to the United States. Talk of tariff war against Canada would be much more alarming to Canadians if they were not used to it; not only the talk, but the thing itself. For many years the United States tariff has been hostile to Canada. That the hostility has been all on one side does not alter the fact that the United States has been at tariff war with Canada for years. If the United States government decides to put further obstacles in the way of trade between the two countries it will be regrettable mainly for sentimental reasons. Its chief commercial effect will be to stimulate Canada to still greater efforts to find markets elsewhere.