

CANADIAN NORTHERN RAILWAY LANDS

CANADIAN NORTHERN TRANSCONTINENTAL

Mortgage Debentures Issued in London—Sites of Three Hundred Towns Being Acquired

The £1,500,000 5 per cent. land mortgage debentures of the Canadian Northern Railway sold in London last month; are a direct obligation both as regards principal and interest of the Canadian Northern Railway Company. The debentures will be constituted a specific charge upon the whole of the debenture stock and capital stock of the Canadian Northern Town Property Company, Limited, a company which has been formed and is in course of acquiring assets at over \$13,400,000, and upon the land grant of the railway company and the deferred payments on land already sold, amounting to \$22,026,896, subject as regards such land grant and payments to outstanding charges for a total of \$6,254,860.

Land Company's Work.

The Canadian Northern Town Property Company was recently formed for the purpose of acquiring land and developing towns at points on the Canadian Northern system, and, except for portions that have already been sold, it is acquiring the whole of the sites of about 300 towns and villages, aggregating approximately 68,700 acres. It is also acquiring valuable property in 172 other towns and villages. The $\frac{4}{5}$ per cent. debenture stock of the Town Property Company will be secured as a first charge on all the above-mentioned property and on the unpaid instalments in respect of land already sold. Pending the transfer to the Town Property Company of the assets it is to acquire, a charge will be given upon such assets by the trust deed securing the land mortgage debentures. Messrs. Davidson and McRae, the land agents of the Canadian Northern Railway Company, value, on a conservative basis, the unsold land of this company

at	\$10,500,000
There is money payable in respect of land sold on which the instalments are payable within 18 months	885,834
and within three years	2,065,000
making a total of	\$13,450,834

Land Grant Assets.

The land grant assets of the Canadian Northern Railway Company, which will be charged as security for the debentures, consist of:—

About 850,000 acres of land unsold, the value of which is certified by Messrs. Davidson and McRae at	\$12,750,000
Instalments of principal payable on land sold on which at least the first payment has been made	6,852,445
and there is in the hands of the Trustees for the repayment of the prior mortgages and charges	2,424,451
	\$22,026,896
Less—outstanding charges	6,254,860
making a net value of	\$15,772,036

The security therefore for the land mortgage debentures will be:—

The whole debenture and capital stock of the Canadian Northern Town Property Company, Limited, whose assets appear above at	\$13,450,834
Surplus, as above, of land grant assets over prior charges	15,772,036
making a total of	\$29,222,870
Showing a surplus over the total issue of land mortgage debentures of upwards of	£2,500,000
The London debenture issue was made at 95, and 60 per cent. was taken by the public.	

COBALT ORE SHIPMENTS.

The following are the shipments of ore, in pounds, from Cobalt Station, for the week ended November 7th, 1913:—

Cobalt Lake Mines, 62,950; McKinley Darragh Savage Mines, 56,790; Crown Reserve Mines, 62,850; Penn Canadian Mines, 101,490; Cobalt Townsite Mines, 504,000; Tretheway Mines, 93,257; Coniagas Mines, 258,100; La Rose Mines, 167,010; total, 1,306,447. The total shipments since January 1st, are now 34,029,223 pounds, or 17,014 tons.

In 1904 the camp produced 158 tons, valued at \$316,217; in 1905, 2,144, valued at \$1,437,106; in 1906, 5,835 tons; in 1907, 4,850 tons; in 1908, 29,360 tons; in 1909, 20,941 tons; in 1910, 34,041 tons; in 1911, 25,089 tons; in 1912, 21,509 tons.

Next Year Will See Completion—Gross Earnings Were Twenty-four and Half Millions Last Year

A second transcontinental railway between the industrial east and the fertile west is not only an event of importance to the Canadian Northern Railway Company, but marks an interesting era in the history of Canada, says the eleventh annual report of the Canadian Northern Railway Company, bearing the signature of the president, Sir W. Mackenzie, and it forecasts that by the close of the present year connection will have been established at Port Arthur with the eastern lines and that the last link in the chain—namely, the line through the Rocky Mountains will be connected early in 1914.

The results of the company's operations for the fiscal year were as follows:—

Gross earnings totalled \$24,527,478, the various departments contributing these amounts, passenger traffic, \$3,749,498; freight traffic, \$18,561,027; express, mail, telegraph, dining and sleeping cars, interest and profits from elevators and other subsidiary companies, investments, premiums, etc., \$2,216,953.

The working expenses (including taxes, etc.), were \$17,503,610.57, leaving net earnings amounting to \$7,023,867.90. After deducting fixed charges \$5,190,924.12, there remained a surplus of \$1,832,943.78. From this interest at 5 per cent. per annum paid on income charge convertible debenture stock outstanding to the extent of \$988,214.49 was paid, leaving a net surplus for the year of \$844,729.29.

The gross earnings show an increase of \$3,417,384.84, or 16.38 per cent., and the net earnings of \$892,822.79, or 15.18 per cent., over the preceding year. The working expenses were 74.64 per cent. of the gross earnings of the railway proper and including taxes 72.10 per cent. of the gross earnings from all sources, compared with 73.82 per cent. and 71.81 per cent. respectively last year.

During the year 236 miles of newly-constructed tracks were added to the system, the average mileage operated being 4,297 miles.

Land Sales Were Smaller.

Land sales during the year were 19,755 acres for \$291,193.18, an average of \$14.74 per acre, after making certain adjustments in respect to sales in previous years. The actual average price per acre during the current year was \$15.36 per acre. This compares with 55,111 acres for \$836,084.37, an average of \$15.17 per acre during the preceding year. Whilst the directors have not made any special effort to sell the railway's own lands, the policy of colonizing Dominion government farm lands has been continued and over two million acres were entered upon by settlers. The effect of this is being seen in the increased movement of agricultural products of all kinds.

The marketing of grain from the territories served by the railway has commenced considerably earlier than last year and the quantity of uniformly high grade grain shipped to the Lake ports at the date of the report was very much in excess of any previous year at the same date. This early return in cash to the farmer thus produced is being reflected in increased activity in the industrial centres with correspondingly satisfactory traffic results to the company.

The earnings derived by the company from the great crop harvested in the west would have been very greatly increased if the Canadian Northern Transcontinental line was in operation.

Stock Issues Applied to Construction.

The following public issues of £1,438,356 four per cent. perpetual consolidated debenture stock and of £2,057,612 five per cent. income charge convertible debenture stock were made during the year, and the whole of the proceeds have been or are being applied to the construction, improvement and equipment of the line.

The Dominion parliament granted during the year to the Canadian Northern Ontario and the Canadian Northern Alberta Railways, parts of the Canadian Northern Railway system, a cash subsidy of \$15,640,000. This subsidy and those previously granted in aid of the system have been or will be expended on construction, improvements and equipments. All moneys also received from the sale of the land grants or raised by securities have been expended in the same manner. The increase of \$7,000,000 in the capital stock of the company represents the amount issued to the government of Canada pursuant to the provisions of the statute under which the cash subsidy of \$15,640,000 above referred to was authorized.

Progress During one Decade.

The following statement shows in concise form the company's growth during the past 10 years:—