

ARTICLE XVII.

How New Capital Raised Since 1902 has been Expended

(Winnipeg Free Press, Oct. 2, 1912.)

In ten years the four per cent. bearing obligations of the Canadian Pacific increased approximately \$125,000,000. In the same period, the capital bearing ten per cent. dividends, increased \$124,000,000. Of the low interest bearing securities approximately \$40,000,000 of the increase was presumably utilized in acquiring securities of other roads.

It is obvious, therefore, that the board of directors during the most prosperous decade of the company's history have for the benefit of shareholders issued new stock on a very liberal scale, the result of which is to place on the revenues of the system the burden of carrying the heavy dividend on common stock in place of the lower rate on the preferred and funded debt.

Capital Operations of Canadian Pacific Railway

Ten Years' Changes in Liabilities.

TABLE I.

	Liabilities 1912	Liabilities 1902	+ Increase — Decrease
Capital Stock	\$196,806,621	\$72,624,162	+\$124,182,459
4 Per Cent. Preference	66,695,097	31,171,000	+ 35,524,097
4 Per Cent. Debentures	153,823,706	63,532,415	+ 90,291,291
Mortgage Bonds	38,648,633	47,238,086	— 8,589,453
Land Grant Bonds .....	.....	16,430,000	— 16,430,000
Current Liabilities	23,545,335	5,911,670	+ 17,633,665
Interest and Rentals	1,391,702	1,780,566	— 388,864
Cash Subsidies .....	.....	29,969,688	— 29,969,688
Equipment Obligations	1,040,000	.....	+ 1,040,000
Equipment Replacement Fund ..	2,103,993	.....	+ 2,103,993
Steamship Replacement Fund ..	5,721,852	.....	+ 5,721,852
Appropriation for Improvements..	3,535,712	.....	+ 3,535,712
Reserve for Contingencies	4,382,617	.....	+ 4,382,617
Land Sales	57,538,307	27,660,988	+ 29,877,318
Surplus	72,885,966	14,185,634	+ 58,700,332
Totals	\$628,119,545	\$310,504,241	+\$372,993,284 — \$55,378,005

Ten Years' Changes in Assets.

TABLE II.

	Assets 1912	Assets 1902	Increase in ten years
Railway and Equipment	\$382,829,051	\$230,072,641	\$152,756,410
Steamships	21,338,974	3,996,377	17,342,597
Acquired Securities (Cost)	80,525,353	39,818,943	40,646,410
Properties held in trust for Company	6,378,358	1,785,411	4,592,947
Deferred Payments on Hand	41,468,821	7,220,935	34,247,886
Advances to lines under construction	16,654,401	2,154,473	14,499,928
Investments	12,360,997	.....	12,360,997
Supplies on Hand	13,017,431	4,450,527	8,566,904
Current Assets	9,828,601	3,207,940	6,620,661
Government Securities	10,088,734	230,758	9,857,976
Cash in Hand	33,628,819	15,227,691	18,401,128
Totals	\$628,119,545	\$310,504,241	\$317,615,305