

different conditions, have strengthened the expressed faith of the management in the company's future. The most important financial transaction of the fiscal year just ended was the purchase of nearly all of the capital stock—preferred and common—of the Rogers Locomotive Works, of Paterson, N.J., on terms which were satisfactory to the directors. The cost of these securities, which is carried in the investment account on the general balance sheet, is to be met entirely from the surplus of the American Locomotive Co. The Rogers Locomotive Works was organized in 1831, and it is therefore one of the oldest locomotive building establishments in this country. It has a capacity of 300 standard gauge locomotives per annum, and its manufacturing equipment has been greatly improved in recent years. It will be the policy of the American Locomotive Co. to protect the excellent reputation of this veteran organization and to develop its resources to the utmost.

Satisfactory progress has been made in the development of the Atlantic steam shovel. Its mechanical efficiency is thoroughly established and its sales have greatly increased. The company proposes to devote a separate shop at the Brooks works exclusively to the manufacture of this shovel, the sales of which, as heretofore, will be negotiated through the Atlantic Equipment Co. The directors and officers, aided by experts specially engaged for the purpose, are constantly watching for opportunities to broaden the scope and strengthen the position of the company in the industrial field. Particular attention is being paid to the possibilities of development of the electric locomotive, trucks for electric service, motor cars and other power vehicles, etc. In conclusion, the directors express their confidence in the outlook for the company's business during the current fiscal year.

	1904-5	1903-4
Gross earnings.....	\$24,150,201.06	\$33,068,750.56
Manufacturing, maintenance and administrative expenses..	19,796,533.49	27,404,985.40
Net earnings.....	\$4,353,667.57	\$5,663,765.16
Interest on bonds of constituent companies, bills payable, etc.	112,186.35	238,226.07
Profit available for dividend.....	\$4,241,481.22	\$5,425,539.09
Dividend on preferred stock, at 7%.....	1,750,000.00	1,750,000.00
Investment in Montreal works.....	\$2,491,481.22	\$3,675,539.09
	1,883,556.96	*1,000,000.00
Bal. to profit & loss..	\$607,924.26	\$2,675,539.09

*Extraordinary improvement and betterment fund. In the condensed general balance sheet the property, securities owned, convertible assets, and securities held in trust are valued \$63,910,822.78 against \$60,216,945 at June 30, 1904. The Locomotive and Machine Co. of Montreal is entered under convertible assets "advances to Montreal works, \$924,392.06"; and the item of cost of property \$45,657,080.63 includes all the capital stock of the Richmond Locomotive Works, Manchester Locomotive Works, and American Locomotive Co. of New Jersey, and securities and other property of the Locomotive and Machine Co. of Montreal. There are outstanding \$430,000 of 5% gold bonds maturing 1921, of the Rogers Locomotive Co., and \$1,500,000 4% gold bonds maturing 1924, of the Locomotive and Machine Co. of Montreal, which are not carried as a liability. The liabilities are: Preferred stock, \$25,000,000; common stock, \$25,000,000; bonded debt of constituent companies, \$1,237,500; current liabilities, \$6,851,506.91; extraordinary improvement and betterment fund, \$401,796.38; surplus after paying dividend on preferred stock July 1, 1904, to June 30, 1905, \$607,924.26; credit balance June 30, 1904, \$4,812,095.23.

The report contains illustrations showing the Rogers Locomotive Works, interior views of portions of several other works, and eight photographic views of locomotives built during the year. These include consolidation freight locomotive 1620 for the C.P.R., two cylinder compound mogul freight locomotive 789, for the G.T.R., built by the Locomotive and Machine Co. of Montreal, and two cylinder compound consolidation freight locomotives for the Minneapolis, St. Paul and Sault Ste. Marie Ry., built at the company's Schenectady works.

Minneapolis, St. Paul and Sault Ste. Marie Railway.

Following are extracts from the report for the year ended June 30, presented at the annual meeting in Minneapolis, Minn., Sept. 19:—

	1905.	1904.
Gross earnings from operation.....	\$ 8,716,621.58	\$ 6,993,498.41
Income from other sources..	66,335.98	88,654.78
Total income from all sources.....	8,782,957.56	7,082,153.19
Operating expenses.....	4,502,507.33	3,746,780.49
Net earnings.....	\$ 4,280,349.83	\$ 3,335,372.70
Fixed charges, taxes, etc.	2,216,934.92	1,948,126.82
Surplus income.....	\$ 2,063,414.91	\$ 1,387,245.88

Notwithstanding the partial destruction of the north-western grain crop of 1904, the gross earnings increased 24.6%; net earnings 29.8%, and surplus earnings 48.7%. The operating expenses increased 20.2% and fixed charges (which include interest on funded debt, rentals paid for terminal property and taxes) increased 15.7%. The following comparisons show the rapid growth during the last five years. In 1900 the gross earnings were \$4,006.39 a mile, in 1905 \$4,913.60 a mile, an increase of 22.6%. The surplus earnings during 1900 were \$685.11 a mile, and in 1905, \$1,163.15 a mile, an increase of \$478.04 a mile or 69.8%. During the same period the company's financial condition has greatly improved. In 1900 the funded debt aggregated \$26,375.40 a mile; in 1905, \$24,500.03, a decrease of \$1,875.37 a mile. In 1900 its funded debt and capital stock aggregated \$42,805.39 a mile, and in 1905 \$36,097.82 a mile, a decrease of \$6,707.57 a mile.

From June 30, 1900, to June 30, 1905, there has been added 532.54 miles and the fact that with this additional mileage the gross earnings have been largely increased per mile of road, indicates that the new lines have been located in profitable territory. During the year there has been completed the line from Glenwood, Minn., to a connection with the C.P.R. at Emerson, Man., giving direct connection to Winnipeg. This line passes through the lake region of Northern Minnesota and the Red River valley, reaching the finest farming country in the Northwest. The line is laid with 80-lb. steel, is well ballasted with gravel, and in first-class condition in every respect. The wide territory served via Winnipeg insures a large tonnage and satisfactory passenger traffic. The company is building a line from Thief River Falls, Minn., on its Winnipeg line, westward crossing the Red River valley, passing through the northern part of North Dakota and terminating at Kenmare, on its Pacific coast line, a distance of 300 miles; also a branch leaving this line at Egeland, extending 21 miles northwest to Armourdale, N.D., and an extension of the line north of Bismarck from Underwood to Garrison, N.D., a distance of 20 miles, making about 340 miles new construction during the year. This will all be completed in time to move a large portion of this season's grain crop. The funds for the construction of these new lines are provided by the issuance of 4% first consolidated mortgage bonds. Many improvements have been made during the year to enlarge the company's facilities for business, among

which are a six-story fireproof office building in Minneapolis, the purchase of additional grounds in St. Paul and Minneapolis for terminals, including an independent right of way into both cities; additional buildings and expensive modern machinery have been added to the company's shops in Minneapolis, and numerous buildings, stockyards, loading platforms, track scales, improved water supply, interlocking plants, automatic coaling stations at various points along the road, twenty-two miles of passing and side tracks, and additional telegraph lines from Minneapolis to Emerson, 386 miles in length. During the year the work of improving the alignment and reducing the grades on the line from Minneapolis to Paynesville, Minn., was begun. The cost aggregates about \$490,000, of which \$214,603.42 was charged against the fund appropriated from surplus earnings for improvements, leaving \$183,000 for similar work now under way. Substantial additions were made to the equipment, including 2,000 box cars, 15 cabooses, 12 passenger cars, 150 ballast cars and 9 locomotives. The operating efficiency of the property has not only been maintained, but much improved in both motive power, equipment and roadbed.

The prospects for a very large crop this season are now well assured and should result in a most satisfactory showing for the ensuing year.

The mileage owned and operated is 1,789.79 and 20.90 miles of spur lines. In addition, the company has trackage facilities over 18.52 miles of terminal property in Minneapolis, St. Paul and Sault Ste. Marie.

EARNINGS AND EXPENSES.

Freight.....	\$6,387,247.86
Passenger.....	1,799,034.13
Mail, express and miscellaneous	530,339.59
	\$8,716,621.58
Maintenance of way and structures.....	\$ 743,693.20
Maintenance of equipment.....	881,702.13
Conducting transportation.....	2,687,173.57
General expenses.....	190,038.43
	\$4,502,607.33
Net earnings from operation.....	\$4,214,014.25
Interest, discount and exchange.....	60,249.83
Interest on bonds and stock.....	6,085.75
	\$ 66,335.58
Total income.....	\$4,280,349.83
Interest on bonds.....	\$1,706,826.67
Taxes.....	411,163.68
Rental of terminals.....	92,944.57
	\$2,216,934.92
Net surplus for year.....	\$2,063,414.91

The Expenditure Account Construction and Equipment.—Tony branch, \$10.00; Birchwood extension, \$12,976.40; Winnipeg line, \$2,053,984.76; Bismarck, Washburn & Gt. Falls Ry., \$874.85; Rex branch, \$305.03; Thief River Falls line, \$912,495.59; Egeland line, \$6,554.81; Underwood extension, \$36,710.80; A. B. and N. W. Ry., \$204.21; preliminary surveys, \$8,769.36; terminal property, St. Paul, Minneapolis and other points, \$155,806.67; betterments to main line, \$120,075.24; new equipment, \$1,504,493.56; total, \$4,813,261.28.

Canada Atlantic Railway Transfer.

The following information is supplemental to that published on pg. 471.

The office of M. A. Overend, Foreign Freight Agent, C.A.R., Montreal, has been merged with the office of the Foreign Freight Agent, G.T.R., Mr. Overend having entered the G.T.R. service, attached to the Division Freight Agent's office in Montreal.

We were recently officially advised that no changes had been made, nor were any then contemplated in the position of the following C.A.R. representatives, who have been retained in the G.T.R. service:—H. S. Heyden, General Agent, New York; J. Ritchie, General Eastern Agent, Boston; G. J. Harris, General Western Agent, Chicago; J. B. Heckendorn, Agent, Milwaukee; W. H. Burk, Agent, St. Paul and Minneapolis.

Jas. Ogilvie, heretofore Superintendent