APPLICATION LISTS will be opened at the office of Æmilius Jarvis & Co., 103 Bay Street, Toronto, on Monday, June 26th, and will close on or before Friday, June 30th, at 3 o'clock p.m.

ÆMILIUS JARVIS & CO.

BANKERS AND BROKERS, TORONTO, ONT., offer on behalf of the Owners

$1,500,000 Seven Per Cent. Cumulative Preference Stock

OF THE

CANADIAN LOCOMOTIVE COMPANY

LIMITED

At $100 per Share, carrying a Bonus of 25% in Common Stock

CAPITALIZATION

	Authorized	Issued
7% Cumulative Preference Stock	$1,500,000	$1,500,000
Common Stock	2,000,000	2,000,000
First Mortgage, 6% 40 Year Sinking Fund Bonds	2,000,000	1,500,000

Applications have been made for $1,000,000 of these shares which will be allotted in full.

Payments may be made on either of the following Plans

PLAN "A"

10% on Application — 90% on Allotment

PLAN "B"

10% on Application — 25% on August 1st, 1911
15% on Allotment — 25% on September 1st, 1911
25% on October 1st, 1911

The following have consented to act as Directors:

HON. WM. HARTY, Kingston — JOHN L. WHITING, K.C., Kingston — JAMES REDMOND, Montreal — ÆMILIUS JARVIS, Toronto — ROBERT HOBSON, Hamilton — FRANK G. WALLACE, Pittsburg, Pa. — WARREN Y. SOPER, Ottawa

An Appraisal of the Company's property and plant has been made by the Canadian Appraisal Company, and is included in Messrs. Price, Waterhouse & Co.'s Audit of Accounts as set out herewith:

THE CANADIAN LOCOMOTIVE COMPANY, LIMITED

Statement showing Assets Purchased and Liabilities Assumed as at December 31st, 1910, and the Capital Stock and Bonds of the Company to be issued

Real Estate, Buildings, Plant and Goodwill $3,820,151.95

The appraisal of the Properties, Buildings, Plant and Equipment made by the Canadian Appraisal Company, Limited, under date of June 16, 1911, shows the following values:
Reproductive value $2,027,227.76
Depreciated value 1,501,028.68

Net Current Assets:

Inventories and Accounts Receivable	$ 364,888.75	
Cash in banks and on hand	151,012.48	
Municipal and other Bonds	755,024.60	
	$1,270,925.83	
Less,—Current Liabilities	91,077.78	1,179,848.05
		$5,000,000.00

Securities to be Issued:

Seven Per Cent. Cumulative Preferred Stock—Authorized and to be Issued		$1,500,000.00
Common Stock—Authorized and to be Issued		2,000,000.00
First Mortgage 6% Gold Bonds—Authorized	$2,000,000.00	
To be Issued.		1,500,000.00
		$5,000,000.00

We have examined the books and accounts of The Canadian Locomotive Company, Limited, for a period of four years ending December 31st, 1910, and certify that the Current Assets and Liabilities included in the above statement are correct.

During the period covered by our examination, the profits of the Company, including interest on investments (which has aggregated about $27,500.00 per annum), after providing for depreciation, have in no year amounted to less than $300,000.00, excepting in the year 1910, when the profits amounted to only $167,032.03. The profits for the three years, 1907, 1908 and 1909, on the basis mentioned, have averaged $333,282.08 per annum, and the falling off in the business of the year 1910 is explained by the management as being largely due to the curtailment of operations resulting from the delivery of defective steel castings purchased by the Company under contract,

Yours very truly,
PRICE, WATERHOUSE & CO.,
Chartered Accountants.

FIELD OF OPERATION

Canada to-day has over 25,000 miles of railroad in operation and over 6,000 under construction or being surveyed. According to statistics furnished by the Department of Railways, one locomotive is required for every six miles of track. Last year there were 4,079 locomotives in use in Canada. The completion of the present 6,000 miles under construction will call for 1,000 new locomotives. In addition, 400 locomotives will be required each year to replace existing equipment. The railroad development which is taking place in Canada is really only at its beginning, and it is expected that within the next ten years the present railway mileage in Canada will be more than doubled. The field of operation is therefore almost unlimited.

PLANT AND EQUIPMENT

The Canadian Locomotive Company, Limited, have been building locomotives since 1855 and have therefore a thorough knowledge of the business. At the present time they are turning out 75 locomotives per year, but have had to refuse many satisfactory orders owing to their limited capacity. The Company have the most up-to-date and modern plant in Canada, covering 333,000 sq. ft.

In addition the Company have 180,000 sq. ft. of reclaimable land on which they can erect additional buildings and, as required, still further enlarge their plant at the minimum of cost. The Company are fortunate in having cheap power, unexcelled shipping facilities, and in being exempt from taxation, except School taxes, up to the year 1916. They have probably the best trained and most loyal staff of skilled workmen on the continent.

EARNINGS

It will be observed from the above that the average earnings for the last four years show, in addition to the sum required for bond interest and sinking fund, an amount equivalent to practically twice the dividend on the preferred stock issued.

It is estimated that as a result of the contemplated increase to the plant, the earnings within the next few years should be at least $600,000 per annum; or in the neighborhood of 18% of the Common Stock after providing for Bond Interest, Sinking Fund and Preferred Stock Dividend.

In making provision for an increase in the capacity of their plant, the Company are not entering into a new and untried field. They have a thorough knowledge of the business, and the increased output can be managed with the same office and selling staffs. The reputation of the Company is so good that the demand for their locomotives far exceeds the supply.

Applications will be made in due course to list the Preference and Common Shares on the Toronto and Montreal and London Stock Exchanges

TRANSFER AGENTS, TORONTO — **National Trust Co., Limited**
REGISTRAR, TORONTO — **Toronto Safe Deposit & Agency Co., Limited**
TRANSFER AGENTS, MONTREAL — **Montreal Trust Co., Limited**
REGISTRAR, MONTREAL — **Montreal Trust Co., Limited**

Bankers: Bank of Montreal — **Auditors:** Messrs. Price, Waterhouse & Co., Toronto

HEAD OFFICE AND WORKS: KINGSTON, ONT.

More complete information and forms of application for Shares may be obtained from

ÆMILIUS JARVIS & CO. - - - Jarvis Building, TORONTO