Land grant bonds—		
Guaranteed 3½% land bonds	15,000,000 00	
Less amount paid Dominion Government towards redemption	3,500,000 00	
		11,500,000 00
Current accounts, pay rolls and traffic balances		7,764,096 84
Interest on funded debt and rental of leased lines—		
Coupons due July, 1904, and including coupons over-due, not presented	1,485,316 00	
Accrued to date, not due	284,867 53	
		1,770,183 53
Equipment replacement fund		582,937 44
Steamship replacement fund		340,666 67
Cash subsidies from Dominion and Provincial Governments and municipalities		30,673,283 07
Land grant—		
Sales of land and town sites.		41,160,443 54
Surplus		17,561,046 05
		$358,919,294 46

FIXED CHARGES FOR YEAR ENDED JUNE 30, 1904.

1st Mortgage Bonds 5% due July 1, 1915	$ 1,749,931 66
Province of Quebec, 4½%	283,500 00
North Shore Ry. 1st mortgage 5% bonds—redeemed April 20, 1904	223 05
Canada Central Ry. 2nd mortgage 6% bonds due Nov. 1, 1910	58,400 00
St. Lawrence & Ottawa Ry. 4% 1st mortgage bonds due June 15, 1910	38,933 34
Man. Southwestern Colonization Ry. 1st mortgage 5% bonds due June 1, 1934	127,200 00
Toronto, Grey & Bruce Ry. rental	140,000 00
Ontario & Quebec Ry. Debenture Stock 5%	975,129 56
Ontario & Quebec Ry. (Ordinary Stock) 6%	120,000 00
Atlantic & North-West Ry. 1st mortgage bonds (less Government proportion) due Jan. 1, 1937	136,333 34
Algoma Branch 5% 1st mortgage bonds due July 1, 1937	182,500 00
Rental Calgary & Edmonton Ry	138,357 60
Rental, Farnham to Brigham Jct.	1,400 00
Rental, Mattawamkeag to Vanceboro	23,800 00
Rental, New Brunswick Ry. System	372,829 74
Rental of terminals at Toronto	32,318 69
Rental of terminals at Hamilton	32,784 82
Rental, Hamilton Jct. to Toronto	40,027 86
Rental St. Stephen and Milltown Ry	2,050 00
Interest on Montreal & Western Ry. purchase	19,678 45
Interest on equipment leases	89,349 12

4% DEBENTURE STOCK.

For General purposes	£ 3,913,748	
" China and Japan steamers	720,000	
" Souris branch	1,004,000	
Retire Canada Central Ry. 1st mortgage bonds	250,000	
" Branch lines	1,491,250	
" Pacific coast steamers	225,000	
" Atlantic Steamships	1,417,500	
Acquiring mortgage bonds of roads of which principal or interest is guaranteed by C.P.Ry.	7,880,807	
	£ 16,922,305	
1 Year on £14,118,956		
6 mos. on £ 2,803,349		
		$ 3,021,349 41
		$ 7,586,096 64

EARNINGS FOR YEAR ENDED JUNE 30, 1904.

Passengers	$12,418,419 33
Freight	29,235,821 04
Mails	681,224 12
Express	1,062,379 84
Parlor and sleeping car	721,006 14
Telegraph, grain elevators and miscellaneous, including profits on Pacific steamships	2,350,281 77
Total	$46,469,132 24

WORKING EXPENSES FOR YEAR ENDED JUNE 30, 1904.

	1903	1904
Conducting transportation	$14 045,459 79	$16,149,578 15
Maintenance of way and structures	6,642,165 17	7,372,408 26
Maintenance of equipment	4,864,550 69	5,873,162 91
Parlor and sleeping car expenses	144,349 83	161,026 09
Expenses of lake and river steamers	470,773 06	519,994 12
General expenses	1,405,790 57	1,589,134 79
Commercial telegraph	547,438 15	590,722 89
Total	$28,120,527 26	$32,256,027 21

The classification of accounts was changed during the year to make them conform to the practice now general on this continent. The accounts for 1903 classified in the same way are given for comparison.

DESCRIPTION OF FREIGHT CARRIED.

	1903	1904
Flour, brls	5,110,757	5,270,432
Grain, bush	63,822,710	52,990,151
Live stock, head	1,103,686	1,314,814
Lumber, ft	1,190,378,217	1,267,804,321
Firewood, cords	268,401	270,803
Manufactured articles, tons	2,665,260	3,119,659
All other articles, tons	2,942,736	3,620,515

FREIGHT TRAFFIC.

	1903	1904
No. of tons carried	10,180,847	11,135,896
No. of tons carried one mile	3,862,242,993	3,809,801,952
Earnings per ton per mile	0.74 cts.	0.77 cts.

PASSENGER TRAFFIC.

	1903	1904
No. of passengers carried	5,524 198	6,251,471
No. of passengers carried one mile	635,855,533	677,940,496
Earnings per passenger per mile	1.73 cts.	1.83 cts.

TRAIN TRAFFIC STATISTICS FOR YEAR ENDED JUNE 30, 1904.

TRAIN MILEAGE.

		Increase or decrease. Per cent.
Passenger trains	8,810,999	6.04+
Freight "	13,810,180	3.42+
Mixed "	1,564,348	12.47+
Total trains	24,185,527	4.91+

CAR MILEAGE.

PASSENGER—		
Coaches and P.D. and S. cars.	43,277,025	4.46+
Combination cars	2,162,822	6.63+
Baggage, mail and express cars	15,742,330	8.77+
Total Passenger cars	61,182,177	5.61+
FREIGHT—		
Loaded	243,394,348	.36+
Empty	60,842,852	6.21 –
Caboose	14,700,836	1.90+
Total freight cars	318,938,036	.89–
Passenger cars per traffic train mile	5.90	1.17–
Freight cars per traffic train mile	20.74	4 99–

PASSENGER TRAFFIC.

Passengers carried (earning revenue	6,893,223	25.57+
Passengers carried (earning revenue) one mile	666,740,402	6.46+
Passengers carried (earning revenue) one mile per mile of road	82,500	.36+
Average journey per passenger miles	96.74	15.20 –
Average amount received per passenger $	1.72	9.95–
Average amount received per passenger mile cts.	1.78	5 95+
Average number of passengers per train mile	64 27	.46–
Average number of passengers per car mile	15 03	1.83+
Revenue from passengers per passenger car mile cts.	26.75	7.99+
Total passenger train earnings per train mile $	1.40	5.26+
Total passenger train earnings per mile of road $	1,792.83	6.11+

FREIGHT TRAFFIC.

Tons of revenue freight carried one mile	3,670,821,775	1 37–
Tons non-revenue freight carried one mile	617,906,213	15.54+
Total tons (all classes) freight carried one mile	4,288,727,988	.75+
Tons of revenue freight carried one mile per mile of road	451.311	7.38–
Tons of non-revenue freight carried one mile per mile of road	763,85	9.10+
Total tons (all classes) freight carried one mile per mile of road	527,696	5.31 –
Average amount received per ton per mile of revenue freight.. cts	0.773	4.04+
Average no. of tons of revenue freight per train mile	238.76	5.42–
Average no. of tons of non-rev. freight per train mile	40.19	10.78+
Average no. of tons of (all classes) freight per train mile	278.95	3.38 –
Average no. of tons of revenue freight per loaded car mile	15.08	1.60–
Average no. of tons of non-rev. freight per loaded car mile	2.54	14.93+
Average no. of tons of (all classes) freight per loaded car mile	17.62	.40+
Freight train earnings per loaded car mile cts.	11.65	2.10+
Freight train earnings per train mile $	1.85	1.60 –
Freight train earnings per mile of road $	3,491.83	3.78 –

\+ Increase. – Decrease.

Earnings of lake and river steamers not included in above statement.

Mileage included in C.P.R. traffic returns	8332.0	
Mileage of other lines worked	438 0	
Mileage under construction	338.5	
		9108.5
Mileage of Minneapolis, St. Paul & Sault Ste. Marie Ry	1648.1	
Mileage of Duluth, South Shore & Atlantic Ry	565.0	
		2213.1
		11321.6

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

Following are extracts from the report for the year ended June 30, 1904, presented at the annual meeting in Minneapolis, Sept. 20:

	1904.	1903.
Gross earnings from all sources	$ 7,082,153.19	$ 7,293,743.26
Operating expenses	3,746,780.49	3,719,923.63
Net earnings	$ 3,335,372.70	$ 3,573,820 63
Fixed charges, taxes, etc	1,948 126.82	1,909,323.20
Surplus earnings	$ 1,387,245.88	$ 1,664,497.43

The gross earnings as compared with the previous year decreased $211,590.07, or 2.9%, the operating expenses increased $26,857.86 and the fixed charges $38,803.62, resulting in a decrease in the net earnings of $238,447.93, or 6.6%, and in surplus of $277,251.55, or 16.6%. When the unfavorable conditions that prevailed throughout the year are considered, the result is most encouraging; a comparatively small wheat crop in 1903 was followed by a very severe winter, making operation most difficult and expensive; the heavy snowfall of the winter coupled with an abnormal rainfall in the spring resulted in very disastrous washouts in North Dakota, which paralyzed traffic during the busy spring season and made expensive repairs necessary. The late opening of navigation on the Great Lakes in the spring of 1904 eliminated a very large volume of business usually handled over the lines east of Minneapolis, and greatly reduced business activity throughout the entire Northwest. When these unfavorable local conditions are considered, and the abnormal condition of business generally throughout the entire country, the fact that the gross earnings were maintained at a figure within 2.9% of the most favorable year in the company's history reflects the wonderful growth of the territory along its lines, and certainly offers brightest prospects for the future.

On Oct. 15, 1903, the company paid its first dividend. This was paid out of the surplus earnings of the calendar year 1902, being the full dividend of 7% on the preferred shares and 2% on the common shares. In April, 1904, a second dividend was paid; the preferred shares receiving 3½% from the earnings of 1903 and the common shares 2% from the earnings of 1902. The company also appropriated from its surplus earnings of the current year $250,000 for betterments and improvements to the property, $200,000 having been appropriated from the previous year for similar purposes; the improvement Fund aggregated $450,000, and was expended principally as follows:

Filling bridges	$ 16,000 00
Steel bridges ($20,000 charged operating expenses)	27,000.00
Replacing 60-lb. rails with 80-lb. rails Minneapolis to Hoffman, about 141 miles, and about 17 miles east of Minneapolis (cost of relaying charged to operating expenses)	182,528.71
Ballasting Minneapolis to Glenwood	66,000.00
Extending side and passenger tracks, about	44.000.00

The balance of the fund was used to enlarge shops and roundhouses at Minneapolis and to improve and enlarge fuel and water stations, including several automatic coaling plants. About $75,000 was expended to complete the acquirement of terminal grounds at St. Paul and Minneapolis, and $45,000 for a suitable piece of property in Minneapolis, on which during the coming year a general office building will be erected.