ciated from this table. Both gross and net earnings, it will be observed, have more than doubled in six years, and a satisfactory point of the showing is that net earnings have increased in a larger ratio than gross earnings. Comparing 1910 with 1904 the actual percentage of increase in gross earnings is 104.4; in net earnings the actual percentage of increase is 138.1. For 1910, working expenses were 64.38 p.c. of the gross earnings and the net earnings, 35.62 p.c. comparing with 69.92 p.c. and 30.08 p.c. respectively in 1909.

The gross earnings and working expenses for the year are particularised in the following table:

EARNINGS FOR THE YEAR.

From passengers..	$24,812,020.86
From freight..	60,158,887.03
From mails..	791,745.45
From sleeping cars, express, elevators and miscellaneous..	9,226,836.99
Total	$94,989,490.33

WORKING EXPENSES FOR THE YEAR.

Transportation expenses..	$27,425,237.61
Maintenance of way and structures..	13,653,938.04
Maintenance of equipment..	12,567,493.86
Traffic expenses..	2,436,651.26
Parlor and sleeping car expenses..	600,796.11
Expenses of lake and river steamers..	858,834.34
General expenses..	2,548,799.89
Commercial telegraph..	1,057,783.35
Total..	$61,149,534.46

Turning to the general financial results of the year these are summarized in the following compilation, a comparison being shown with the figures of the two previous years:—

	1910	1909	1908
Gross earnings	$94,989,490	$76,313,320	$71,384,169
Working expenses. .	61,149,534	53,357,748	49,591,803
Net earnings..	$33,839,955	$22,955,572	$21,792,366
Other income..	3,335,713	2,306,488	2,654,633
Total income..	$37,175,668	$25,262,060	$24,446,999
Fixed charges..	9,916,940	9,427,032	8,770,077
Balance..	$27,258,728	$15,835,028	$15,676,922
S.S. replacement and pension funds.. ..	980,000	880,000	880,000
Balance..	$26,278,728	$14,955,028	$14,796,922
Dividends.	12,382,113	11,107,867	9,217,207
Net surplus for year	$13,896,615	$3,847,161	$5,579,715

The "other income," which includes net earnings of steamships in excess of the amount included in monthly reports, interest on deposits and loans and interest and dividends upon various bonds and shares held by the company, is over $1,000,000 higher than last year, and more than offsets the rise in fixed charges. Four per cent. consolidated Debenture stock to the amount of £1,598,935 was created and sold during the year and of the proceeds, the sum of £1,068,965 was applied to the construction of authorized branch lines; £98,200 was used to acquire the same amount of the company's first mortgage 5 p.c. Bonds, and the balance, £431,770, was devoted to the acquisition of the bonds of other railway companies, whose lines constitute a portion of the system. Four per cent. preference stock to the amount of £600,000 was created and sold, the proceeds being used to meet capital expenditure, while guarantee of interest was endorsed on 4 p.c. Consolidated Mortgage Bonds of the Minneapolis, St. Paul & Sault Ste. Marie Railway, issued and sold to meet the cost of constructing 110 miles of railway added to that company's system. The increase in the amount absorbed by dividends is due, of course, to the fact that the second half-yearly dividend on the ordinary stock, payable on the 1st October next, is at the rate of 7 p.c. per annum instead of 6 p.c. as hitherto, as well as to the additional preference stock sold.

The mileage of the company included in the traffic returns is now 10,270. To this has to be added the mileage of other lines worked, 262, and the mileage under construction, 471. The mileage of the Minneapolis, St Paul and Sault Ste. Marie and of the Duluth, South Shore & Atlantic Railways is 4,222. That twelve months hence the Canadian Pacific's mileage will have received considerable additions, there is every indication. At the meeting the shareholders will be asked to authorize the issue and sale of a sufficient amount of 4 p.c. consolidated debenture stock to provide for the construction of 553 miles of branch lines in the provinces of Manitoba, Saskatchewan and Alberta; to approve the agreement for the leasing of the New Brunswick Southern Railway, which runs from West St. John to St. Stephen, N.B. (83 miles); to approve another agreement by which the St. Maurice Valley Railway is constructing its line between Three Rivers and Grand'Mère, so as to give a better connection between Shawinigan Falls and the mills at Grand-'Mère, subsequently, leasing it to the Canadian Pacific; to approve a further agreement for the construction in sections and leasing of a railway which will have eventually as its terminals Golden, B.C., and Galloway on the Crow's Nest line. Mention is also made in the report of the directors, of the arrangement, which will, however, not be effective for some months, by which will be transferred to the Canadian Pacific practically all of the capital stock of the Dominion Atlantic Railway, consisting of £270,000 of preference stock and £230,000 of ordinary stock, at the price of 60 per cent. of its face value for the preferred and 20 p.c. of its face value for the common shares. This railway extends from Yarmouth to Truro, N.S., with branches to Kingsport and Torbrook Mines, a total of 247 miles, and a connection is made with Halifax under a contract with the Dominion Government for the use of 45 miles of the Intercolonial Railway. The directors mention that they are confident that important traffic advantages will result from the acquisition of this railway, and it will, moreover, give the company a foothold in the province of Nova Scotia, in which, hitherto, it has had no interests.

The company's land holdings now aggregate 7,539,722 acres in Manitoba, Saskatchewan and Alberta (average of sales in past year, $14.84 per acre) and 4,474,094 acres in British Columbia. The sales of agricultural land during the year aggregated 975,030 acres for $14,468,564, an average, as stated of $14.84 per acre. Included in this area were 145,421 acres of irrigated land which brought $26.59 per acre, so that the average price of the balance was $12.78 per acre. The directors have now decided that water should be provided for the eastern section of the Irrigation Block containing about 1,100,000 acres before any thing is done in the central section and they