

Minneapolis, St. Paul, and S.S. Marie Ry.

Following are extracts from the report of this subsidiary company of the C.P.R. for the year ended June 30:

	1907-08	1906-07
Gross earnings.....	\$11,509,857.32	\$12,892,079.03
Operating expenses ..	7,115,964.91	7,433,548.79
Net earnings	\$ 4,393,892.41	\$ 5,458,530.24
Income from other sources	669,111.99	52,076.86
Total net earnings ..	\$ 5,063,004.40	\$ 5,510,607.10
Fixed charges, taxes, etc.....	3,062,135.29	2,901,921.32
Surplus income.....	\$ 2,000,869.11	\$ 2,608,685.78

The gross earnings show a decrease of \$1,382,211.71, the net earnings \$1,064,637.83, and the surplus income \$607,816.67. The decrease of \$1,382,211.71 in gross earnings is the combined result of a short grain crop, reduced rates and general business depression. The operating expenses decreased \$317,583.88. The expenses are somewhat increased, compared with previous years, on account of depreciation charges made in accordance with the revised classification of operating expenses issued by the Interstate Commerce Commission. This new classification makes detailed comparisons of operating expenses with previous years impracticable. Total net earnings decreased but \$447,602.70, some \$551,000.00 of profits from the sale of real estate having been carried to income account. The percentage of expenses to earnings is 61 8-10%, compared with 57 6-10% the previous year.

On account of the financial stringency during the early months of the year, and the consequent inability to provide funds from the sale of securities, the line from Brooten to Duluth will not be completed until 1909. Fifty miles of track were laid during the autumn of 1907, and an additional 50 miles have already been laid this year. Funds for this extension and for the acquirement and improvement of suitable terminals at Duluth have been provided from the sale of bonds and of \$4,200,000.00 of increased capital stock, referred to in the last report.

The usual policy of improving the property by the construction of additional side tracks, the enlargement of stations, shops and other buildings, has been continued. The motive power is in first-class condition. In short, the condition of both roadbed, buildings and equipment has not only been maintained, but largely improved. Owing to more favorable crop prospects, business conditions in the Northwest are much improved, and therefore, reasonable hope is entertained for a much better showing for the current year.

The mileage owned and operated is 629.76 east, and 1,643.62 west of Minneapolis, with 15.91 miles of spur lines, making a total of 2,289.29 miles against 2,262.88 miles at June 30, 1907. In addition to this the company has trackage facilities over 19.17 miles of terminal property in Minneapolis, St. Paul and Sault Ste. Marie. One hundred miles of track laid on the Duluth line is not included in the foregoing figures.

EARNINGS AND EXPENSES.

Freight	\$ 7,828,851.60
Passenger	2,681,221.84
Mail	317,504.13
Excess baggage	33,659.88
Miscellaneous revenue ..	11,105.58
Operation other than transportation....	141,871.90
Total operating revenue	\$11,014,214.93
Outside operations:	
Express	\$179,505.03
Sleeping cars, dining cars and hotels ..	158,006.99
Car service and equipment rentals ..	158,130.37
	495,642.39
Total gross earnings ..	\$11,509,857.32

Maintenance of way and structures,...	\$1,330,856.15
Maintenance of equipment	1,361,625.06
Traffic expenses.....	235,675.36
Transportation expenses	3,988,799.34
General expenses.....	199,009.00
	7,115,964.91
Net earnings from operation.....	\$ 4,393,892.41
Interest, discount and exchange.....	\$127,509.54
Interest and dividends on bonds and stocks owned ..	11,026.50
Profit from sale of real estate.....	530,575.95
	669,111.99
Total income.....	\$ 5,063,004.40
Interest on bonds.....	\$ 2,144,640.00
Interest on equipment notes	89,550.00
Taxes.....	696,907.70
Rental of terminals.....	131,037.59
	\$ 3,062,135.29
Net surplus for year ..	\$ 2,000,869.11

BALANCE SHEET, JUNE 30, 1908

Cost of road, acquired lines, extensions and equipment.....	\$80,057,853.73
Advances for equipment, terminals, etc.	2,699,841.84
Real estate	668,061.71
Stocks & bonds owned	4,083,190.56
Materials and supplies	1,258,686.68
Due from—	
Foreign roads.....	\$ 273,570.09
Agents and conductors	366,489.97
U.S. Post Office Department.....	73,583.25
Bills and accounts receivable	348,811.00
Cash — Minneapolis, St. Paul, New York and London.....	1,640,754.67
Total cash and current assets.....	2,703,208.98
Other accounts.....	7,501.72
*Advance account—	
Betterment and Improvement Fund	204,525.26
	\$91,682,870.48
Capital stock—	
Common.....	\$16,800,000.00
Preferred.....	8,400,000.00
	\$25,200,000.00
Funded debt—	
First mortgage M. & P. Ry. bonds, 4% ..	306,000.00
First mortgage M. S. S.M. & At. Ry. bonds, 4%	8,204,000.00
First mortgage M., St. P. & S. S. M. Ry. consolidated bonds, 4%	43,285,000.00
Second mortgage M. St. P. & S. S. M. Ry. bonds, 4%	3,500,000.00
	55,295,000.00
Bills payable—	
Equipm't trust notes	1,743,000.00
Interest accrued on bonds due July 1 ..	\$1,001,785.00
Interest accrued on equipment, notes due July 1	43,575.00
Accrued taxes not yet due.....	222,680.08
	1,268,040.08
Current liabilities—	
Vouchers.....	\$ 842,804.54
Pay rolls.....	452,600.10
	1,295,404.64
Dividends due and unpaid.....	1,765.00
Insurance fund.....	16,505.88
Equipment replacement	210,947.91
Income account.....	6,652,206.97
	\$91,682,870.48

*The Directors, at a meeting held Aug. 24, appropriated \$250,000.00 from the Income account as of June 30, to take care of these advances for betterments.

TRAFFIC AND MILEAGE STATISTICS.

	1907	1908
TRAIN MILEAGE—		
Freight trains... (miles)	3,163,625	2,773,120
Passenger trains "	2,141,827	2,472,902
Mixed trains.....	304,604	352,059
Non-revenue trains "	162,906	76,182
Total train mileage "	5,772,962	5,674,263
CAR MILEAGE—		
Freight—		
Loaded cars north or east.....	30,921,517	27,968,616
Loaded cars south or west.....	39,643,428	34,355,368
Empty cars north or east.....	13,414,052	12,889,277
Empty cars south or west.....	5,521,145	7,408,352

pense for equipment or service, would pay the company better than the use of the ordinary return trip ticket; and I think this is true wherever the traffic may be—from surrounding towns and villages to Montreal, Quebec, Toronto, Hamilton, London, Ottawa, Kingston, or any other important business centre. I express no opinion as to whether the issue of such commutation tickets, under approved conditions, would benefit the country as a whole; but I am satisfied that it would increase the revenue of the railway companies.

In his evidence regarding the withdrawal of commutation tickets from certain places, Mr. Bell said: "We took the view that it was right to continue to use commutation rates where the ordinary train service made it possible for people to live in the country and come into the city and do their business and go back again at reasonable rates." Now, this is precisely the condition of things at Brampton. It was clearly proved at the hearing that the present train service on the G.T.R. at Brampton is adequate, satisfactory, quite equal to that furnished at Oakville, and the Brampton Council and Board of Trade specifically stated that their application was for commutation tickets to be used on the ordinary trains running between Toronto and Brampton—that and nothing more; so, on Mr. Bell's own evidence, it would appear that Brampton should have commutation tickets. Hence, to sum up, I would say that, as I understand the case, the facts are as follows: Complaint was made to the Board by the applicant and other interested parties, alleging that the G.T.R. was discriminating in tolls, against Brampton, as compared with Oakville. At the hearing of the complaint, the railway company admitted that it was discriminating against Brampton, but not unjustly so—maintaining that the discrimination complained of and admitted was just, fair, and reasonable. The railway company completely failed to justify the said discrimination—not having given any evidence which, by the utmost stretch of imagination, could be said to prove that the difference in treatment of Brampton as compared with Oakville, is either just, fair, or reasonable. Therefore my judgment is that the Board is under obligation to take such action as may be necessary to remove the discrimination either by ordering the restoration of commutation tickets to the town of Brampton, or by simply directing the railway company to cease and desist from further discrimination against Brampton as compared with Oakville, in the matter of commutation tickets.

At a meeting of Brampton residents, Jan. 15, it was decided to ask for a re-hearing of the application.

EDITOR'S NOTE.—Commissioner Mills is in error in saying that there is an electric railway between Oakville and Toronto. The Hamilton Radial Ry. Co. runs from Hamilton to Oakville, but no further. The Toronto and York Radial Ry. has a line from Toronto to Port Credit, but there is no electric road between Port Credit and Oakville.

During Nov., 1908, 56 railway employes were killed and 36 injured while engaged on Canadian railways. Of the fatalities, 18 were due to explosions of dynamite, 16 to being run over, 6 to collisions, 5 to derailments, 3 to falling material, 2 each to falls, to explosions of boilers, and to being caught between cars, and one each to being struck by a passing object and to being struck by a locomotive. Of the non-fatal accidents 8 were due to collisions, 6 to derailments, 5 each to being caught between cars, to falls, and to explosions of dynamite, 2 each to being run over and to falling material, and one each to a flying object, to machinery and to escaping steam.