

THE FINANCIAL SITUATION.

Stock Exchange prices have again illustrated the habitual method the Exchange has fallen into of a break in stock values almost constantly following a rise in prices; that has become a feature long apparent. This week the cause effecting the decline has been more clearly disclosed than on many other somewhat similar occasions, it being a natural result of the hostility against capital which has been for two or more years in progress. The special development we refer to is the large sales of American stocks by Europe in New York and the high prices for foreign exchange, followed by a situation threatening gold exports, but presumably otherwise adjusted by a credit transaction. The truth is, such an incident is a clear illustration of production being carried on here with foreign capital for the profit in it, and as the profit was doubtless endangered, or taken away, by limiting and lowering rates of travel and freight, the capital engaged in it was withdrawn. These incidents must be a never-ending series until the cause for such transfers is removed. It is reasonable to assume that Europe will hold our securities only so long as it believes they are safe and profitable. Up to this date, it has seemed to pursue the plan of getting rid of what it has at every advance in values. Speculators, of course, take advantage and make money out of this clock-like working of a principle always regulating the movement of capital.

We hear it said on every side—why is it money is so high? What we have said above sheds a little light on the question. Six, seven and eight per cent are, however, killing rates for business and mercantile credits. There is no way of further studying the question asked except by noting the conditions about us. They are open to everyone. Anything that increases the number of borrowers, anything that lessens the amount of floating capital offering in the market, and again, anything that lessens the facilities for borrowing money, tends to advance rates.

We cannot apply these conditions to the whole list of industries, because it would make the explanation too prolix and tedious. But let us, for the moment, use two of our largest trades by way of illustration—take for instance copper, iron and steel. Each of the two trades mentioned is a basis of an immense network of various sorts of business activities. They and their allied trades, which are almost numberless, have been developing at increasing and, may we not say, at break-neck pace for two, three or more years. Spurred on at this rate, they have been making money fast. As a rule, these concerns have been putting their surplus earnings into the extension of their plants, and those having smaller capital have been expanding all the same, but necessarily more or less on borrowed funds and future expectations; while now and then a few among the more provident have put a portion of their net savings into securities, which have since declined materially. Unexpectedly, and of course somewhat suddenly and rudely, this activity is subsiding with inert markets for the raw materials and declines, especially in copper.

Does not the sagging state of these two departments of our business activities, with the decided check indicated in their profits, afford clear evidence of wide needs for enlarged present borrowings and future pros-

pects of much greater wants? Steam railroads and electric railroads are specimen examples, in this respect, of two foremost business factors, one in each of these two great departments, leaders in the markets for funds. And how is it as to the supply of loanable capital? Scarce. Why? There are two decisive reasons why this must be so. One is that we have been using up floating capital for three or more years in a most prodigal way. The other is we have shut ourselves out of getting foreign capital. We are not discussing, to-day, how that has been done. It is enough to say that our borrowings have not been welcomed and limits have been put on our finance bills; nor would they be taken freely now. We do not mean that we could not borrow capital from the money centres of Europe if we were in extreme need. We no doubt could; but the rate would be badly against us.

Speaking broadly then, and in the fewest words practicable—are we not in a state in which, for the time being, we have used up largely our floating capital, in which our borrowers are abnormally increased, in which the facilities for borrowing are decreased because our securities are in disrepute, and in which, furthermore, we are losing foreign capital rapidly while at the same time limitations have been put upon even our temporary borrowings contracted in Europe?

Of course, temporary relief might be afforded if Secretary Cortelyou would inject into our market from the Sub-Treasury a large amount of currency at present locked up there. But though that might pull us out of the present entanglement, it could be but a temporary relief. We have indicated below difficulties which the Secretary is encountering in putting afloat the Sub-Treasury holdings of cash he promised.

The principal feature of the week affecting foreign exchange was the disturbance caused by the large sale of American securities by Europe, already referred to. It is reported that several private banks in Amsterdam, which were heavily loaded with American securities, failed, resulting in the liquidation not only of those concerns, but of other private bankers having American stocks. The properties sold were of various kinds, and, being largely sold in London, the sales contributed to the depression in that market. Foreign exchange became quite firm by the demand for remittance for such stocks sold on European account. A further concurrent deranging factor was the expression by Lord Rothschild, in an interview in London, of highly pessimistic views regarding the situation; this seemed still further to increase the pressure of stock on the market for European account, and with demoralizing effect. A further depressing influence was the fact that exchange on Paris advanced to figures close to the gold-exporting point. This was due, in part, to the circumstances heretofore related, but also to an urgent demand for such exchange to remit for maturing New York City short-term revenue notes, which had been placed in Paris last July and previously. A report on Thursday that the Bank of France had offered to promote the shipment of gold hence to Paris, through the allowance of interest on the consignment while the metal was in transit, provided French exchange could not be obtained in sufficient amounts for remittance for the above-noted obligations, created much apprehension of almost immediate gold exports to Paris; on Friday, however, it was stated that the Bank

of France had withdrawn its offer thus to facilitate gold exports, and the situation in this regard became more composed. It is now expected that remittance for the maturing New York City obligations can be effected with exchange.

The offerings of cotton drafts were in moderate amounts, while those against wheat were large. The disposition manifested by bankers to discriminate against exchange representing commodities, where the accompanying bills of lading are so defective as to threaten loss to bankers making advances on such collateral, may have been, and indeed in some cases was, the cause for the above-noted moderate offerings of cotton drafts; should such discrimination continue, the effect upon the exchange market may be important.

The Secretary of the Treasury has authorized banks that are entitled to issue circulation to substitute for the United States bonds that they have pledged for public deposits other security for such pledge, on condition that the Government bonds so released through substitution shall be deposited with the Treasurer as pledge for new circulation. It will be remembered that, a year ago, Secretary Shaw adopted a similar plan for monetary relief, limiting, however, the volume of increased circulation to 18 millions. He required the banks issuing such notes to immediately file applications with the Comptroller for the retirement of new circulation, so that such retirement could be effected by the end of July. So far as is known, Mr. Cortelyou's plan does not provide for this compulsory retirement of the additional notes; therefore the banks may retire them, under the Act of March last, at their convenience, at the rate of 9 millions per month, if permission therefor shall be given by the Secretary and the Comptroller. Presumably Mr. Cortelyou has placed a limit upon the volume of new notes, as did Mr. Shaw; the authorization for expansion has, though, been made in such indefinite form as to leave the amount to be issued to be conjectured.

It may be observed that, though some progress has been made by the Secretary of the Treasury in extending relief to the monetary situation, through deposits of public funds in banks, such deposits now being greater by 16 $\frac{3}{4}$ millions than they were in August, when his plan for thus affording relief became effective, he is still encountering obstacles to the execution of his plan because of the inability of banks which have been selected as depositories to qualify for the reception of the public funds, by reason of difficulties experienced in procuring acceptable securities therefor. The majority of such securities, and especially municipal bonds, are selling at high prices. Banks borrowing these bonds would have to put up with the lender either cash or collateral for the same. If the former, an amount equal to the value of the bonds would be demanded; and if the latter, a sum sufficient to allow a satisfactory margin. The cash required could doubtless be more profitably employed in loans on time on the stock market than in borrowing bonds, while the collateral would be more useful otherwise than as security for borrowed bonds. Therefore, pledges of other than United States bonds for deposits are not easily procurable; moreover, their procurement is made more difficult now than heretofore by reason of the above-noted plan for bank-note expansion, which provides for the substitution of other securities than

Government bonds for deposits in order that the latter may be released as pledge for circulation, thus increasing the demand for such other securities.

The International Conference of cotton spinners and growers that opened its three days' session in the State Capitol at Atlanta, Ga., on Monday last, brought together a thoroughly representative gathering of upwards of five hundred delegates, of which more than one hundred came from abroad. Over some of the topics under discussion considerable heat developed, but on the whole the deliberations of the Conference cannot but be productive of satisfactory results to both grower and manufacturer. The discussion of the establishment of closer or direct relations between growers and manufacturers took up a large part of the time of the Conference, and during its progress planters were told in clear and certain terms that the arbitrary fixing of a price at which the crop shall be marketed was out of the question and entirely at variance with all proper business methods. Mr. Arthur Kuffler of Vienna voiced the opinion of spinners on that point by stating that the price would be fixed by the law of supply and demand. He spoke, furthermore, in favor of the establishment of direct trade relations, urging, however, that the business system be so perfected that trading could be carried on as easily as it is now with the middleman. Mr. J. B. Tattersall of England spoke in somewhat the same strain, and Mr. C. W. Macara, President of the English Master Cotton Spinners' Association, claimed that attempts on the part of American growers to maintain prices at an abnormally high level would have not only the effect of stimulating the development of new sources of supply, but was so adverse to all proper business methods that it could only end in disaster to those who took part in it. Moreover, he strongly condemned illegitimate speculation and advised that concerted action should be taken to suppress it.

The final day's session was given over almost wholly to the discussion of the reports of the various committees and to matters already before the Conference regarding which no decisive action had yet been taken. Congressman Heflin's resolution in favor of abolishing cotton exchanges precipitated a long debate which ended in referring the question to each organization in the Conference for future individual action. Antagonism to the exchanges, however, was confined almost entirely to the growers; manufacturers, especially those from abroad, while condemning gambling in futures, recognized the value of those bodies in the prosecution of legitimate business transactions. At the same time a strong sentiment developed that the exchanges as now conducted are injurious to the industry. As President MacColl put it in his closing address: "The great cotton industry does not exist for the cotton exchanges. The cotton exchanges should only be allowed to exist in so far as they contribute to the welfare of the legitimate business of growing and manufacturing cotton."

Resolutions having to do with packing, buying, selling, classification and transportation were adopted. Planters were, moreover, recommended to give more attention to the selection of seed, so that better results might be attained. A resolution calling upon the Government to discontinue the crop condition report was voted down, as was another requesting the publi-

cation of Census Bureau crop data daily instead of at stated periods as at present.

Reviewing the work of the Conference impartially, there can be no question but that it has been a signal success through the interchange of ideas it has made possible and the reforms liable to spring therefrom. Through it the grower should certainly have learned that the manufacturer, believing in the old saw, "live and let live," is willing to pay a fair and just price for cotton, but is irrevocably opposed to the fixing of an arbitrary price above a free market value. Having learned that, the growers should once and for all cut loose from the professional agitator, through whose influence the prices (never realized) have been fixed.

The Agricultural Department's report on crops as of October 1, issued on the 9th inst., indicated a further lowering of the condition of corn by 2.2 points during the month of September, thus reducing slightly the previous promise of yield of that important cereal. The condition as now reported is 78, against 80.2 on September 1 this year, 90.1 on October 1 1906 and a ten-year average of 79.6. On the basis of the October 1 condition percentage and the acreage planted we figure out that the outlook is for a crop of approximately 2,500,000,000 bushels. This, of course, indicates a material falling off from 1906, when the yield turned out to be 2,927,416,091 bushels, but with that exception and 1905, the current promise has not been appreciably exceeded, the only other season showing an excess over 1907 being 1902, when the crop was 2,523,648,312 bushels.

The October report also includes preliminary estimates of the average yield per acre of a number of leading grain crops and in each case the Department places its own interpretation upon what the averages indicate. For spring wheat the average yield is placed at 13.1 bushels per acre, or a little under the ten-year average, and this is interpreted to presage a total production of 216,067,000 bushels, or approximately 26 million bushels less than in 1906 and 48½ million bushels below the 1905 aggregate. Combining this spring-wheat result with the anticipated yield of the winter variety—heretofore reported by the Department at 409,500,000 bushels—gives a total crop of that grain of 625,567,000 bushels; an outturn exceeded in six out of the ten preceding years and largely so in 1906 and 1905. The oats crop indication is placed at only 23.5 bushels per acre on the average, as against 31.2 bushels in 1906, the aggregate yield being estimated at but 741,521,000 bushels, which compares with 964,904,522 bushels a year ago and an outturn almost as great in 1905. In fact, as far back as 1895 this year's promise was largely exceeded, and in only four years since that time have smaller crops been secured.

The outlook as regards barley and rye, as compared with earlier years, according to the Department, is relatively better than for the cereals already referred to. In each instance, of course, a smaller yield than in 1906 is indicated, but the deficiencies are less important in amount. The yield of barley is expected to reach an average of 23.9 bushels per acre, or 147,192,000 bushels for the whole area, against an average of 28.3 bushels, or a total of 178,916,484 bushels in 1906, and last year is the only season in excess of the current one. The preliminary estimate of yield of

rye at 16.4 bushels per acre denotes a crop of 31,566,000 bushels, which compares with 16.7 bushels per acre and an aggregate of 33,374,833 bushels last year, and is a total only twice exceeded. In contradistinction to the crops already referred to, hay indicates a better outturn per acre than a year ago, the total production being estimated at 60,766,000 tons in 1907, against 57,145,959 tons in 1906. With each of the grain crops showing a reduced yield this year, the aggregate deficiency of all grains is imposing. How great it is will be realized when we state that the loss reaches nearly 16½% of last year's production, the combined total of corn, wheat, oats, rye and barley being this year only 4,045,846,000 bushels, against 4,839,872,900 bushels in 1906, 4,519,326,398 bushels in 1905 and 4,081,466,476 bushels in 1904.

There was no change in official rates of discount by any of the European banks this week; compared with last week, unofficial or open market rates were ⅛ of 1% higher at London and ⅛ of 1% lower at Paris, at Berlin and at Frankfort. The statement of the Imperial Bank of Germany, which was issued this week, showed an improvement, thus relieving apprehensions of further derangement to the Continental situation as the result of the bank's expanded condition, for, while the cash decreased 6½ million marks, the circulation was contracted by 112 2-5 millions.

The bank statement of last week showed a loss of \$7,621,100 cash and a reduction of \$2,998,500 in surplus reserve, to \$2,648,075. This exhibit was reflected in somewhat tense monetary conditions in the market, and the tension was further aggravated by the absorption of funds as the result of the temporary withdrawal from the banks of about 17½ millions, representing collections by the City of New York of taxes; after the middle of the week disbursements by the city released a considerable portion of this accumulation, and the tone grew slightly easier. Money on call, representing bankers' balances, loaned at the Stock Exchange during the week at 6% and at 2½%, averaging about 5%; banks and trust companies loaned at 3% as the minimum. On Monday loans were at 6% and at 4½% with the bulk of the business at 5½%. On Tuesday transactions were at 6% and at 5% with the majority at 5%. On Wednesday loans were at 6% and at 3% with the bulk of the business at 3½%. On Thursday transactions were at 6% and at 2½% with the majority at 5¾%. On Friday loans were at 4¾% and at 4¼% with the bulk of the business at 4¾%. Time loans on good mixed Stock Exchange collateral were firm during the week at 6@6½% for sixty and 6½@7% for ninety days, 6½% for four and 6% for five to six months. The offerings for the shorter maturities were from foreign bankers and for the longer periods from trust companies. The rate for commercial paper is nominally 7% for sixty to ninety day endorsed bills receivable, 7% for prime and 7@7½% for good four to six months single names. Some business is done, through brokers, with banks in New England and in a few Western cities, but none is reported with local institutions. Brokers' commissions tend to increase the rate to borrowers above those here quoted.

The Bank of England rate of discount remains unchanged at 4½%. The cable reports discounts of

sixty to ninety day bank bills in London $4\frac{1}{4}\%$. The open market rate at Paris is $3\frac{1}{2}@3\frac{5}{8}\%$ and at Berlin and Frankfort it is $4\frac{7}{8}@5\%$. According to our special cable from London, the Bank of England lost £1,855,473 bullion during the week and held £35,251,365 at the close of the week. Our correspondent further advises us that the loss was due largely to heavy exports, especially to Egypt, although shipments to the interior of Great Britain were of important volume. The details of the movement into and out of the Bank were as follows: Imports, £549,000 (wholly bought in the open market); exports, £1,585,000 (of which £1,200,000 to Egypt, £100,000 to Turkey, £260,000 to Italy, £5,000 to Bermuda and £20,000 to Roumania), and shipments of £819,000 net to the interior of Great Britain.

Foreign exchange was generally strong this week, influenced by a demand to remit for securities sold for European account, as heretofore described; also an inquiry for exchange for remittance for the payment of maturing finance bills and likewise an inquiry incident to the demand to remit to Paris for New York City notes and requirements incident to the London Stock Exchange settlement. The supply of bankers' bills was quite meagre and the offerings of cotton drafts were unusually small, reflecting, as is reported, discrimination against those of such drafts as had attached thereto bills of lading that were, as above noted, imperfectly executed. A fairly large amount of bills was offered against wheat exports; these, however, were promptly absorbed at firm prices.

On Saturday of last week exchange was strong and, compared with the previous day, 10 points higher for long at $4\ 8240@4\ 8250$, 10 points for short at $4\ 8580@4\ 86$ and 5 points for cables at $4\ 8680@4\ 8690$. On Monday long fell 15 points to $4\ 8225@4\ 8235$, short 10 points to $4\ 8580@4\ 8590$ and cables 20 points to $4\ 8665@4\ 8670$. On Tuesday long rose 5 points to $4\ 8230@4\ 8235$, short 10 points to $4\ 8590@4\ 86$ and cables 5 points to $4\ 8670@4\ 8675$. On Wednesday long advanced 5 points to $4\ 8235@4\ 8240$, short 10 points to $4\ 8595@4\ 8610$ and cables 15 points to $4\ 8685@4\ 8690$. On Thursday long rose 20 points to $4\ 8250@4\ 8260$, short 5 points to $4\ 86@4\ 8605$, while cables fell 10 points to $4\ 8670@4\ 8680$. The market was firm on Friday at an advance of 10 points for short and for cables; long was unchanged.

The following shows daily posted rates for sterling exchange by some of the leading drawers:

		Fr., Oct. 4	Mon., Oct. 7	Tues., Oct. 8	Wed., Oct.	Thurs., Oct. 10	Fr., Oct. 11
Brown	60 days	4 83	83	83	83	83	83
Brothers	Sight	4 86½	86½	86½	86½	87	87
Baring	60 days	4 83	83	83	83	83	83
& Co.	Sight	4 86½	86½	86½	86½	87	87
Bank British	60 days	4 83	83	83	83	83	83
North America	Sight	4 87	87	87	87	87	87
Bank of	60 days	4 83	83	83	83	83	83
Montreal	Sight	4 87	87	87	87	87	87
Canadian Bank	60 days	4 83	83	83	83	83	83
of Commerce	Sight	4 87	87	87	87	87	87
Heidelbach, Ickel-	60 days	4 83	83	83	83	83	83
helmer & Co.	Sight	4 86½	86½	86½	86½	87	87
Lazard	60 days	4 83	83	83	83	83	83
Freres	Sight	4 86½	86½	86½	86½	87	87
Merchants' Bank	60 days	4 83	83	83	83	83	83
of Canada	Sight	4 87	87	87	87	87	87

The market closed on Friday at $4\ 8250@4\ 8260$ for long, $4\ 8610@4\ 8615$ for short and $4\ 8680@4\ 8685$ for cables. Commercial on banks $4\ 8210@4\ 8225$ and documents for payment $4\ 81\frac{3}{8}@4\ 82\frac{1}{2}$. Cotton for payment $4\ 81\frac{3}{8}@4\ 81\frac{1}{2}$, cotton for acceptance $4\ 8210@4\ 8225$ and grain for payment $4\ 82\frac{3}{8}@4\ 82\frac{1}{2}$.

The following gives the week's movement of money to and from the interior by the New York banks.

Week ending Oct. 11 1907.	Received by N. Y. Banks.	Shipped by N. Y. Banks.	Net Interior Movement.
Currency	\$5,276,000	\$9,388,000	Loss \$4,112,000
Gold	974,000	1,747,000	Loss 773,000
Total gold and legal tenders	\$6,250,000	\$11,135,000	Loss \$4,885,000

With the Sub-Treasury operations the result is as follows.

Week ending Oct. 11 1907.	Into Banks.	Out of Banks.	Net Change in Bank Holdings.
Banks' interior movement as above	\$6,250,000	\$11,135,000	Loss \$4,885,000
Sub-Treasury operations	29,000,000	28,000,000	Gain 1,000,000
Total gold and legal tenders	\$35,250,000	\$39,135,000	Loss \$3,885,000

The following table indicates the amount of bullion in the principal European banks.

Bank of	Oct. 10 1907.			Oct. 11 1906.		
	Gold.	Silver.	Total.	Gold.	Silver.	Total.
England	£ 35,251,365	£	£ 35,251,365	£ 29,119,163	£	£ 29,119,163
France	110,771,815	37,290,246	148,062,061	113,005,838	41,639,136	154,644,974
Germany	28,600,000	7,926,000	36,526,000	26,057,000	7,752,000	33,809,000
Russia	123,901,000	5,786,000	129,687,000	111,638,000	4,966,000	116,604,000
Aus.-Hunb.	45,247,000	11,881,000	57,128,000	46,733,000	11,845,000	58,578,000
Spain	15,563,000	25,508,000	41,071,000	15,294,000	24,285,000	39,579,000
Italy	34,737,000	4,869,100	39,606,100	29,647,000	3,788,500	33,435,500
Neth'lds	6,056,200	5,235,400	11,291,600	5,529,000	5,564,000	11,093,000
Nat. Belg.	3,294,667	1,632,333	4,927,000	3,445,333	1,722,667	5,168,000
Sweden	4,246,000		4,246,000	3,877,000		3,877,000
Tot. week	407,638,047	100,128,079	507,766,126	384,345,334	101,562,303	485,907,637
Prev. week	408,075,077	101,927,783	510,002,860	386,297,025	102,296,946	488,593,971

a The division (between gold and silver) given in our table of coin and bullion in the Bank of Germany and the Bank of Belgium is made from the best estimate we are able to obtain; in neither case is it claimed to be accurate, as those banks make no distinction in their weekly returns, merely reporting the total gold and silver; but we believe the division we make is a close approximation.

b The Austro-Hungarian bank statement is now issued in Kronen and Heller instead of Gulden and Kreuzer. The reduction of the former currency to sterling Pounds was by considering the Gulden to have the value of 80 cents. As the Kronen has really no greater value than 20 cents, our cable correspondent in London, in order to reduce Kronen to Pounds, has altered the basis of conversion by dividing the amount of Kronen by 24 instead of 20.

c The total of gold in the Bank of Russia includes the balance held abroad—that is, the amount held for Russian account in other Continental banks. The proportion so held and consequently duplicated in the above statement is about one-quarter of the total.

A NEW STEP TOWARDS INTERNATIONAL PEACE.

The foreign mail brings to hand this week the very remarkable agreement entered into between Great Britain and Russia regarding the Russian Asiatic kingdoms which lie between the Russian dominions on the North and Great Britain's Indian Empire on the South. We have heretofore referred in a general way to the Anglo-Russian Convention, but the text of the agreement is itself of so striking a character as to call for special comment. It has a very distinct bearing both on the past and on the future of European diplomacy.

Every one who has followed diplomatic history during the past two or three decades is familiar with the constant and dangerous friction created by the relations of these two Powers in that quarter of the world. Russia was accused of perpetually scheming for the spread of its dominion or "sphere of influence" over the native kingdoms adjacent to its territory, and that such negotiations, with this ultimate purpose, were actually pursued, there has never been any serious doubt. On the other hand, England has at intervals fallen into an acute spasm of apprehension over the jeopardy in which such advances from the North were placing its power over India. During the early eighties discussion of the danger in which the whole British Empire stood as a result of this situation was continuous; it reached a crisis, as most people will remember, when English and Russian troops actually came in collision during a movement of the British military on Afghanistan.

When apprehensions regarding this particular country had subsided, Persia first and Thibet afterwards became each a similar focus of anxiety. Not

longer than a year ago the British expedition into the "forbidden kingdom" of Thibet was discussed in all centres of European diplomacy as a possible cause of war. Even statesmen who expected no belligerent demonstration contented themselves with the explanation that England would not have ventured on such a manoeuvre but for the weakness of Russia as a result of its Manchurian reverses.

The novel point of the formal agreement between the authorities of the British and Russian governments consists in the extremely definite outlining of the part of each of these three countries which shall be reserved for the activities of one or the other of the two signatory powers. The character of all of them may be judged from the following extracts from the Convention regarding Persia:

I. Great Britain engages not to seek for herself, and not to support in favor of British subjects, or in favor of the subjects of third Powers, any Concessions of a political or commercial nature—such as concessions for railways, banks, telegraphs, roads, transport, insurance, &c.—beyond a line starting from Kasr-i-Shirin, passing through Isfahan, Yezd, Kakhk, and ending at a point on the Persian frontier at the intersection of the Russian and Afghan frontiers, and not to oppose, directly or indirectly, demands for similar concessions in this region which are supported by the Russian Government. It is understood that the above-mentioned places are included in the region in which Great Britain engages not to seek the concessions referred to.

II. Russia, on her part, engages not to seek for herself, and not to support in favor of Russian subjects, or in favor of the subjects of third Powers, any concessions of a political or commercial nature—such as concessions for railways, banks, telegraphs, roads, transport, insurance, &c.—beyond a line going from the Afghan frontier by way of Gazik, Birjand, Kerman, and ending at Bunder Abbas, and not to oppose, directly or indirectly, demands for similar concessions in this region which are supported by the British Government. It is understood that the above-mentioned places are included in the region in which Russia engages not to seek the concessions referred to.

Several facts are to be observed regarding this arrangement. One is that the treaties limiting spheres of influence in Africa and on the coast of Asia, which were an incident of European diplomacy during 1895 and the few ensuing years, and whose results in the case of both continents were by no means fortunate, have been so improved upon as to remove the danger created in those early experiments. The plan of a "sphere of influence," as outlined by Lord Salisbury and the Continental Ministers in regard to Africa and Asia, set aside a given portion of the coast, and by inference allowed to the Power assigned as dominating it an equal right to territory extending back indefinitely inland. Quite inevitably this vague extension to what in Africa was called the "hinterland" brought about conflicts of rights as to this inland territory. The Fashoda episode, in which France and Great Britain nearly came to blows in 1898, and the very serious tangle on the coast of Asia which was unraveled only by the humane diplomacy of Secretary Hay, were the results. In the Russian case it will at once be evident that no doubt or question is allowed to remain as to what each power claims or surrenders. The sphere of influence is marked down and circumscribed on the map in such formal shape that it is difficult to see how misunderstanding or disagreement, accidental or deliberate, can occur hereafter.

This unquestionably great advance in the guaranty of peace through the good offices of diplomacy probably marks a definite and important forward step in the history of modern Europe. It is a fact not to be ignored that, although the majority of diplomats agree that the Hague Conference ended in smoke, nevertheless the very purposes which that convention undertook to reach have been reasonably achieved by the various Ministers of State themselves. When one considers the condition of Europe, as regards relations of the various Powers to one another, only half a dozen years ago, the change which has been effected since is little less than extraordinary. The Anglo-French agreement, brought to a head on almost precisely similar lines with the Anglo-Russian Convention, was the first step in that direction; the Anglo-Spanish Convention did its part; the treaty of England with Japan necessarily strengthened it; the friendly attitude assured between England and the United States—in extraordinary contrast with what seemed to be indicated by the state of the American public mind a decade or more ago—has been in many ways the final touch.

If one compares this chapter of achievements with the diplomatic history of a century ago, he must admit that diplomacy, which in the seventeenth and eighteenth centuries and in a large part of the nineteenth, had for its frequent purpose either the actual causing of war, or at best the averting of war until an intended belligerent was ready, has been replaced by a diplomacy whose immediate effort is the assuring of a world-wide peace. To suppose that even these agreements—which, we imagine, will be supplemented by a similar convention with the German Empire—have disposed once for all of the probability of war, would be going too far. Nevertheless, it is not too much to say that this beneficent diplomacy of the era in which we live has removed from the sphere of anything like immediate probability the international war which, within a comparatively recent time, was discussed as an almost certain event of the not distant future.

THE ATCHISON'S PROSPERITY.

No one can take up the annual report of the Atchison Topeka & Santa Fe Railway Co. without being impressed with the magnitude of its growth or the wonderful prosperity it is enjoying. This remark applies whether we have reference to the further addition to income in the year covered by the report or to the aggregate growth since the reorganization of the property, less than a dozen years ago. The further addition to gross revenues during the last twelve months was no less than \$12,882,397—an amount equal to the total annual earnings of many railroad systems of moderate size—from which one gains an idea of the way the business of the system has been expanding. It is not possible to make direct comparisons with earlier years, owing to the fact that the figures for 1905-06 and 1906-07 (on which this record of further growth of \$12,882,396 is based) cover some lines not included in the results for previous years. Nevertheless, it may be stated in a general way that, with the late year's further gain, the total of the gross is brought up to the magnificent figure of \$93,683,406, whereas ten years before, in 1896-97, the amount was no more than \$30,621,230. Length of road in the interval has increased, but only about 33 1-3 per cent. In other words, gross

now is over three times what it was ten years ago, with the mileage only about one-third larger. so that, while in 1896-97 the gross averaged \$4,752 per mile of road operated, in the latest year the average per mile was \$10,102. This record is the more noteworthy, since for most of the new road taken into the system during the decade traffic and revenues must necessarily have been very light.

With reference to the transformation in the income yield of the property under this great expansion in revenues, it is only necessary to say that, for the latest year, there is a surplus above expenses, interest, rentals and other charges in the large sum of \$21,168,723, as against a surplus of merely nominal amount ten years before, and as against \$1,825,958 in 1897-98. For 1906-07 the company had available net income of \$32,656,658, while the call for interest, rentals and other charges (including accrued interest on the adjustment bonds) was only \$11,487,934. Out of the \$21,168,723 surplus above charges, the dividends paid were only \$11,363,722, showing that hardly more than one-half the year's available net income was distributed in dividends to the shareholders, and that the sum remaining *above* the dividend payments fell but little short of a round \$10,000,000. The dividends were 5% on the preferred shares and 5½% on the common stock, this last being made up of the 2½% paid Dec. 1 1906 and the 3% paid June 1 1907.

The exact amount remaining after the payment of the dividends was \$9,805,001. The disposition made of this surplus from the year's operations indicates the policy pursued in the administration of the property and by which it has reached its present prosperous state. No less than \$9,600,000 was written off to cover the cost of improvements and \$191,225 was appropriated for the benefit of the fuel reserve fund. Thus, while 5½% was distributed on the common shares in the shape of dividends, the equivalent of 9½% more on this stock was taken out of the year's income and applied towards improvements, &c. These large appropriations out of income for the benefit of the property have been a feature in the recent history of the company, but the 1907 appropriation is more than double the 1906 appropriation, which latter, though very large, was only \$4,500,000, as against the \$9,600,000 for 1907.

It should be understood, too, that aside from the extraordinary sum taken from income in this way, the expenditures for renewals of equipment and for maintenance of way and structures, and included directly in the expenses, have been on a very liberal scale. Indeed, each year seems to show an increase in the amount spent per mile for maintenance of way; for the latest year the average was \$1,648 per mile, against \$1,479 in the year immediately preceding, \$1,370 the year before and only \$975 in 1896-97. The report states that expenses for maintenance of way were heavily increased in 1906-07 by reason of extensive re-location and reconstruction of line, in order to reduce the grades and curvature, necessitating the abandonment of portions of line as originally constructed. In every such case, it is averred, the cost of construction of the railroad or property abandoned was charged to maintenance of way, while only the additional cost of the new construction was charged to capital account.

The Atchison Topeka & Santa Fe is a very large system. The aggregate length of road June 30 1907

was 9,350 miles, besides which 488 miles more were under construction at the same date; in addition the company controls 140 miles through ownership of stock and bonds and is interested jointly with other companies in 541 miles more. Considering the size of the system, it will not be a surprise to hear that the year's appropriation of \$9,600,000 out of income did not come anywhere near meeting the company's requirements of new capital. It will serve to give the reader an idea of the magnitude of the yearly new capital needs of such a system to say that the Atchison's capital expenditures altogether during 1906-07, including the amount spent in the acquisition of stocks and bonds of other railway companies, amounted to \$24,239,718, of which \$8,830,307 was for acquisition of additional equipment.

With the management thus dependent on large new capital contributions from year to year, it is not strange that the subject of the present attitude of the public towards railroad corporations should receive a good deal of consideration in the report. As far as the Atchison itself is concerned, its needs for the immediate future seem to have been fully provided for. During the year under review, \$7,226,250 was received on account of subscriptions for the 4% convertible bonds offered to the shareholders during the *previous* fiscal year. And though the holdings of cash June 30 1907 were hardly one-half what they had been twelve months before, they yet amounted to \$8,215,421, and in addition the company had available over \$7,765,000 of general mortgage bonds, including bonds not yet certified by the trustees. Most important of all, in May 1907 shareholders were offered \$26,056,000 of 10-year 5% convertible bonds, the whole amount of which has been disposed of, placing within command this very large sum of ready cash. It is true, shareholders took only \$9,943,000 of these new convertible bonds, but the remaining \$16,113,000 was disposed of to banking interests. No part of the money realized from this \$26,056,000 bond sale appears in the late year's accounts, since all the payments on the same were made subsequent to the closing of the books on June 30 1907.

President Ripley points out, what of course will be admitted by every one, that in order to furnish the additional transportation facilities required by the rapid growth of the country in population and business activity, it will be necessary to expend many hundred millions of dollars of additional capital. The power of the railways to obtain this additional capital has been greatly impaired by loss of confidence of investors in the stability and security of railroad investments. And this loss of confidence has been caused, in great measure, by the unfriendly attitude of a large part of the public towards the roads and by the arbitrary action of legislatures and railway commissions in reducing rates and imposing burdensome restrictions, often without investigation or consideration of the consequences. Mr. Ripley well says the public apparently has failed to appreciate that capital invested in railways yields very moderate returns, having regard to the prevailing rates of interest and to the profits upon capital employed in other kinds of business. The public also has failed to perceive that the whole country is interested in maintaining the prosperity and financial credit of the railways.

He then shows how small has been the rate of return in the Atchison case. Few companies in the United States, he observes, have been more prosperous than

the Atchison. We have indicated above what the late year's earnings were equivalent to on the common stock considered alone. But Mr. Ripley makes a computation of another sort. He considers the *total* capitalization as represented by both common and preferred shares and by the outstanding funded debt. It seems to us, too, that this is the proper way to treat the matter in determining the rate of return on the capital invested. On this basis he finds that even during the late year, which was the most prosperous year in the company's history, the net earnings averaged but $6\frac{1}{2}\%$ on the entire capitalization, which capitalization is believed to be not in excess of the cost of reproducing the company's properties at the present time. Interest and dividend *payments* for the year averaged less than 4.6% on the outstanding bonds and stock of the company. For the last ten years the average net earnings were but 4.82% on the entire capitalization and the average interest and dividend payments were but 3.71% on the bonds and stock. Even these results could be obtained only through the expenditure of enormous sums for the construction of extensions and for improvements and additional equipment. During the last ten years, according to Mr. Ripley, the sums so expended by the Atchison for improvements and additional equipment and for new construction, without counting further large sums expended in purchasing previously constructed branches and extensions, amounted to more than 110 million dollars.

Mr. Ripley therefore expresses the hope and belief that the public will soon realize that its present attitude toward railway companies in general has not been just to their stockholders and bondholders, and also that unless the confidence of investors in the security and stability of railway investments is restored, it will be impossible to obtain the additional railway facilities which are necessary to the development of the country. As far as the Atchison itself is concerned the directors have deemed it prudent, it is stated, to suspend various extension projects which were contemplated and to limit the company's capital expenditures to the completion of improvements to which the company is already committed.

There can be no doubt that this is a wise and a proper course to pursue. The Atchison's business has been growing so fast in recent years that to provide facilities merely for the yearly increase requires large new capital outlays, and with the investing public so thoroughly scared concerning the future of the roads, it would manifestly be a risky policy to engage in any extensive new construction work apart from that absolutely essential to make the road capable of meeting the current demands of traffic. We have referred above to the large growth in revenues during the last decade, but as indicating what it means to provide facilities for the yearly growth in business in the case of the Atchison system, we would direct attention to the fact that the late year's increase alone in the traffic amounted to the equivalent of over 1,000 million units of service. In other words, the tons of revenue freight carried one mile increased 933,440,594 and the number of passengers carried one mile increased 104,272,781—all this in a single period of twelve months.

What has been said makes it plain that, should there, unfortunately, come a recession in trade, the

Atchison Company is well prepared to meet it. In the first place, on the results for the late year there is an enormous margin of income to encroach upon before dividends will be endangered. In the second place, through the large capital expenditures for improvements, betterments and additions, fortified by the application of large amounts of income in the same way, the system is in position to move traffic with due economy and efficiency, which means a low cost of transportation per unit of service rendered. In the third place, the growing diversity of the traffic will stand the road in good stead. The agricultural tonnage is still a very large item in the company's tonnage, but the other items of traffic are now also growing in magnitude and importance. For example, in the mineral tonnage there was an increase in the late year of 562,282 tons, and in manufactures and merchandise an increase of 591,112 tons, making for the two together an addition of no less than 1,153,394 tons, which is nearly 60% of the whole increase (1,978,592 tons) for the twelve months in all classes of freight.

THE LOUISVILLE & NASHVILLE AND RAILROAD CONDITIONS.

As the annual reports of the leading Southern railroads come to hand one after another, it is becoming increasingly evident that railroad transportation systems in that part of the country are having a hard time of it. They are called upon to raise large amounts of new capital from year to year, and when the income account for any given period of twelve months is made up there is very little to show in the way of increased return for the large additional outlays. In a measure this has come to be the situation of the railroads nearly all over the country, but for some reason the railroads in the South appear to be particularly unfortunate in this respect, and to be faring worse than the roads anywhere else within the broad domain of the United States.

Development in the South has been hardly less rapid than in the West, and traffic and revenues of the railroad transportation lines there have grown accordingly; but the chief effect of this has been to make the call for additional capital expenditures all the more urgent, while the avenues for raising funds have not multiplied, and at no time has it been possible to obtain money for investment in the South with the same degree of freedom as for other parts of the country. While periods of prosperity have not been entirely lacking among Southern roads during the last ten years, these have never attained the height and importance of those enjoyed by the railroads elsewhere. Now that the downward turn has come, Southern roads are the first to show the adverse effects, and that is the reason for saying that the lot of these roads seems to be a peculiarly hard one.

The annual report of the Louisville & Nashville Railroad gives point and significance to the foregoing remarks. In the case of this property we are not dealing with a road which has been reorganized, but with a system which has a long and favorable record and whose financial administration may be said to have always been sound, and which has never pursued a policy of expansion except in a very careful and conservative way. We have, therefore, an instance of a property capable of the very best results attainable under the conditions and surroundings prevailing in

the South. To this must be added the fact that its lines run through the best and most advanced sections of the Southland, as far as material resources and prosperity are concerned.

What, then, have been the results of the operations of this important property? It must be admitted that there is nothing especially encouraging in the record. The lesson and teachings of the figures are well worth pondering. Take the last twelve months, for example. Gross earnings have risen in such a way as to make it evident that the patrons of the roads are enjoying wonderful advance and progress in material welfare, even if the railroad transportation lines are not. With rates per ton per mile and per passenger per mile both lower than in the year preceding, there has been an addition to gross earnings of no less than \$5,254,949. With this increase of over $5\frac{1}{4}$ million dollars in the gross, the addition to the net has been just \$407,110. All of the rest of the gain in gross has been absorbed by the expenses, which show an augmentation of over $4\frac{3}{4}$ million dollars. Moreover, the greater part of this small improvement in the net has been offset by heavier charges for interest, rentals and taxes, so that the stockholders in the very best year in the company's history, as far as traffic and gross revenues are concerned, find themselves advantaged very little.

If the outcome here sketched were limited to the results for the late year alone, one would perhaps not be justified in attaching great significance to it. As a matter of fact, the condition disclosed is typical of what has been going on for several years. In 1905-06, for instance, the showing was much the same. In that period of twelve months, with an increase in gross of, roughly, $4\frac{1}{2}$ million dollars, the addition to net was almost absolutely *nil*. By combining the two years, we get a graphic idea of what the situation has been in the particular noted. In these two years gross has risen from \$38,517,070 to \$48,263,945. On the other hand, the net has increased only from \$12,027,049 to \$12,482,642. In brief, 10 millions increase in gross has yielded less than half a million increase in net. The ratio of expenses in the two years has advanced from 68.77% to 74.14%. But that is not all. Length of road operated having increased somewhat, net earnings per mile have actually declined. The gross per mile of road in the two years has advanced from \$10,066 to \$11,207 per mile, but the net earnings in the same two years have fallen away from \$3,143 to \$2,898. And this has been the trend during the whole of the last four years. In these four years the net per mile has uninterruptedly declined, it dropping lower and lower, though the gross has as uninterruptedly advanced, rising to the largest figures per mile ever reached.

In this augmentation in expenses the Louisville & Nashville has suffered from the causes common to all the railroads of the country, namely the continued increase in the cost of labor and likewise in that of materials and supplies, but in addition it has suffered from some special causes peculiar to Southern roads alone. Thus, in the late year unusual repairs were made necessary on account of the heavy damages inflicted on the company's property by the severe storm along the Gulf coast which occurred in September 1906. In the year preceding the special drawback was the yellow fever, which for five months

acted as a sort of embargo on the free movement of traffic, and added greatly to operating cost, besides which there were some minor adverse happenings as far as the Louisville & Nashville itself is concerned.

Obliged to contend with such serious misfortunes, one would think that wisdom and good sense would suggest that these Southern roads be not otherwise burdened, and certainly not burdened unnecessarily. Instead, we see several of the State legislatures in the territory embraced by the lines of the system undertaking arbitrarily to reduce rates for traffic either of passengers alone or both passengers and freight, and placing other restrictions upon their management which are not alone vexatious but which cannot fail to add still further to the cost of operation, already so high. It is not surprising that under such circumstances it is difficult to procure further supplies of new capital, that railroad managements are getting restive under the treatment and are preparing actively to resist the efforts which, if continued, can only eventuate in bankruptcy.

The Louisville & Nashville is giving its shareholders moderate dividends, namely 6% per annum, and on that basis of distribution the late year's income accounts show a very good margin above the sum required for these dividends—that is, while the dividends called for \$3,600,000, the net income remaining on the year's operations above charges was \$6,450,521. While this is very satisfactory as far as it goes, the fact of the matter is that a higher rate of distribution has not been considered prudent and that with a large surplus, above the dividends, available for improvements and new work, this surplus has been insufficient to meet the company's requirements, making resort to the money market absolutely essential. The outlays for new equipment alone reach enormous sums, as will be evident when we say that during the last twelve months the equipment was increased by 120 locomotives and over 3,000 cars. But perhaps the best way to indicate the need of funds for new equipment is to extend the comparison further back. Hence, it deserves to be noted that during the last ten years the number of freight cars in the Louisville & Nashville system has increased from 19,660 to 39,528, the number of locomotives from 549 to 865, the number of passenger cars from 439 to 559, and the number of roadway cars from 466 to 1,452.

The report refers to the issue last February of \$6,500,000 of the company's three-year 5% gold notes. It is stated that this was done in order to place the company in funds so that it could complete the construction work and improvements under way and authorized, as well as to place the company in a strong financial position. As it was unable to dispose of any of its treasury bonds to advantage, on account of there being no demand whatever for railway bonds of any character, a resort to the issue of short-time notes became imperative. In the previous year, it will be recalled, the company sold \$10,000,000 of its Atlanta Knoxville & Cincinnati division 4% gold bonds and \$4,500,000 of its unified 4% gold bonds. The company's finances would now appear to be in good condition, as cash June 30 1907 was \$8,201,192, and total current assets including this cash, but not including materials and supplies, was \$13,901,607 at the same date, as against current liabilities of \$10,466,896.

THE CHESAPEAKE & OHIO REPORT.

The experience of the Chesapeake & Ohio Railway during the late fiscal year was like that of other Southern roads, which is the same as saying that income results have not been particularly flattering. There was further growth in gross earnings, but the augmentation in expenses outstripped the gain in gross, with the result that net actually declined. The increase in the gross was \$1,193,872, the addition to expenses \$1,780,657 and the loss in the net \$586,784. Obviously, there is nothing particularly encouraging in a growth in business that produces no additional net. The fault, however, is not to be sought in administrative methods or policy but in conditions that admit of no other outcome. The report points out that gross earnings were affected by the unfavorable weather conditions prevailing during the winter months, while the expenses were largely augmented by the increase in cost of materials and the general increase in wages. The traffic on the West Virginia and Kentucky lines was frequently interrupted by landslides and by floods in the rivers, the train service upon the Cincinnati division having been suspended at one time for an entire week.

Thus, there were some special circumstances that served to produce an unfavorable result, and yet this was only one factor in the outcome. The Norfolk & Western system lies in much the same part of the country and has similar traffic problems to handle, being obliged to move a large volume of bulky freights at extremely low rates. For these reasons, it is usual to compare results for these two roads. The Norfolk & Western did somewhat better than the Chesapeake & Ohio in amount of gain in gross earnings, having increased the total of its gross by \$2,676,615, but there was in its returns the same feature of heavily increased expenses; the augmentation in its case did not entirely wipe out the gain in the gross, and yet its increase of \$2,676,615 in gross brought with it an addition to net of only \$226,704.

It cannot be claimed that the Chesapeake & Ohio is not operated with due economy and efficiency, for evidence to the contrary is furnished so strongly by the figures in the report. For instance, with an increase the late year of 10 tons in the train-load, the average load of revenue freight is brought up to the high figure of 596 tons. With company freight included, the average is raised to no less than 628 tons. We need hardly say there are very few roads in the country which can show such a prodigious average load. We have already stated that the Chesapeake & Ohio realizes only very low rates from its freight. In 1906-07 the amount received was a trifle better than in the year preceding, and yet the average rate per ton per mile on the company's entire freight traffic was only 4.33 mills. On the coal tonnage, which forms such an important part of the freight traffic, the average realized actually declined slightly, and was only 3.25 mills per ton mile. This last means that it was necessary to move over three tons of coal one mile in order to earn a single cent.

With net earnings (after allowing for income from other sources) diminished, as compared with the preceding year, in the sum of \$546,777, there was at the same time an augmentation in the fixed charges. Interest on funded debt increased \$258,372, taxes rose

\$164,570 (an increase of almost 30%), while rental and equipment payments were also very much higher. The final result is, total deductions \$667,446 more than in the previous year. Accordingly, there has been a very heavy shrinkage in the amount of net income remaining over and above the charges. Stated in brief, while the income above charges in 1905-06 was \$4,607,223, for 1906-07 it is only \$3,392,999, a shrinkage of over 25%. Only \$627,907 of the \$3,392,999 net income was distributed in the shape of a 1% dividend on the shares. Practically the whole of the remainder went to pay for improvements and extraordinary expenditures and to meet maturing installments of equipment trusts and sinking fund.

Unfortunately, too, fixed charges are likely further to increase. Four new equipment trusts appear in the annual report this time, for a total of \$8,000,000, and after allowing for equipment trusts paid off or reduced, the total unpaid June 30 1907 on the equipment trusts aggregated \$16,430,000, as against only \$9,766,666 a year before, on June 30 1906. During the twelve months, also, there was an increase of \$3,371,000 in the total of the funded debt, besides which there were some increases in debt on the part of some of the smaller controlled companies. Furthermore, since the close of the fiscal year the company has sold \$5,000,000 of its 3-year 6% notes, secured by the pledge of \$6,500,000 of the new general equipment and improvement bonds.

This situation—the constant large requirements of new capital, with a resulting increase in fixed charges, and the coincident falling off in net earnings in face of continued expansion in traffic and gross revenues—gives the management the opportunity for making a telling and effective argument against the policy being pursued by the politicians in several of the States in their crusade against railroads and railroad interests. President George W. Stevens refers to the fact that, while the company earned 5% upon its stock, a dividend of but 1% was paid to the shareholders. Moreover, he points out that in no year since the company's reorganization has the amount paid to shareholders exceeded that sum. The company, instead of distributing a fair share of profit to the owners of the property, was compelled, in order to meet the needs of its shippers, to apply its entire surplus income beyond the 1% referred to to the purchase of additional equipment and the furnishing of increased facilities for its traffic. It cannot be seriously contended, he argues, that the traffic over the Chesapeake & Ohio has been unduly burdened when the average rate received per ton per mile was but 4 1-3 mills and per passenger per mile not quite 2 1-6 cents. He says the directors feel—and well they may feel—that the statistics submitted show that the property has been managed with efficiency and economy, notwithstanding which the margin of profit has been so small that the return to its owners has been entirely inadequate and one that cannot be justified in any line of business. Continuing, he says:

It would therefore seem to be to the interest of the communities and people served by your lines that your revenues should not be lessened or your credit injured by further reducing rates that are now inadequate to meet the physical requirements of the property, and yield the return which you, as shareholders, may rightfully and reasonably expect. It seems clear that, with all the leading railways in the section served by

your lines, the time has arrived when the increased volume of traffic is forcing upon them exceptionally large expenditures for double track, equipment and yard facilities, and, as the commonwealths through which they pass can only prosper through the continued development of the mineral and other industries which are served by the railways, it necessarily follows that any legislation which injures their credit and prevents the sale of securities at fair prices, must work as great a loss to the people as to the railway shareholders.

Mr. Stevens puts the case none too strongly, and he shows that the Chesapeake & Ohio management was entirely justified in bringing proceedings in the courts contesting the purpose of the State authorities to reduce passenger rates in Virginia. He is right, too, we think, in believing that the communities will in the end recognize the force of the position assumed by the railroads and see the injustice and harm that must result from a continuance of the present policy, so detrimental to the interests alike of the railroads and the communities they serve. In the meantime, the management, as in the Atchison case, have found it incumbent to restrict new construction in various directions.

ITEMS ABOUT BANKS, BANKERS AND TRUST CO.'S.

—The public sales of bank stocks this week aggregate 573 shares, of which 543 shares were sold at the Stock Exchange and 30 shares at auction. Twelve shares of trust company stock were sold at auction. The sales at the Stock Exchange of stock of the National Bank of Commerce amounted to 527 shares at prices ranging from 168 to 165½.

Shares.	BANKS—New York.	Low.	High.	Close.	Last previous sale.
28	City Bank, National.....	250	250	250	Oct. 1907— 250
2527	Commerce, Nat. Bank of..	165¼	168	167	Oct. 1907— 168
223	Fourth National Bank....	170¾	178	178	Oct. 1907— 170
15	Nat. Bank of North Amer..	240	240	240	May 1907— 265
	TRUST COMPANY—New York.				
12	Title Guar. & Trust Co....	425¼	426	425¼	July 1907— 475

x Sold at the Stock Exchange. *c* Of this amount 8 shares were sold at the Stock Exchange.

—The People's Savings Bank of Brockton, Mass., of which ex-Governor William L. Douglas is President, is the first institution to signify its intention to avail of the provisions of the law enacted at the last session of the Massachusetts Legislature permitting savings banks to establish departments for issuing industrial life insurance policies and annuities. We learn from the Boston papers that the bank's trustees have voted unanimously to establish such a department, which action is yet to be ratified by a majority of the incorporators. As a preliminary to securing a license, it is required under the savings bank insurance law that there be deposited a special expense guaranty fund of not less than \$5,000 in cash and a special insurance guaranty fund of not less than \$20,000 in cash.

By vote of the trustees of the general insurance gratuity fund, under the new Massachusetts Insurance Act, Robertson G. Hunter of New York has been appointed State Actuary at a salary of \$3,600 per annum.

—In our issue of September 28 we reported the purchase of the Missouri-Lincoln Trust Company by the Mercantile Trust Company of St. Louis, the particulars in our item being based on the information obtainable from the St. Louis papers, which stated that the sale had been effected on the basis of an exchange of stock on certain terms. We have since learned that no exchange of stock is involved in the matter. An officer of the Mercantile Trust Company has furnished us, at our request, with the following outline showing the exact nature of the arrangement between the two companies:

1. We bought the Missouri-Lincoln Trust Company's safe deposit department for \$25,000. We also bought the deposits of the Missouri-Lincoln Trust Company, paying therefor 5% of the net amount of the deposits.
2. We guaranteed the payment of all deposits of the Missouri-Lincoln Trust Company, and in order to provide the money for that purpose, we made a loan to the Missouri-Lincoln Trust Company of the gross amount necessary, taking their note therefor, and, as security for same, we took all of their assets. As rapidly as their bills receivable are paid, their bonds, stocks and real estate sold, the proceeds will be applied to this note. When the note is paid, the remainder of the assets will be turned over to the Missouri-Lincoln Trust Company.
3. We have full authority to liquidate the assets to the extent of our claim. The contract was made with the approval of the Secretary of State, who was present at the time the transaction was closed.

—John Crosby Brown of the firm of Brown Bros. & Co. has been elected Vice-President of the United States Trust Company of this city, to succeed the late D. Willis James.

—James K. Corbiere has resigned as Vice-President of the Morton Trust Company of this city to engage in the brokerage business.

—Additional capital of the Nineteenth Ward Bank of this city to the amount of \$200,000 has been listed on the New York Stock Exchange, making the total amount listed \$300,000. The bank's capital was increased from \$100,000 to \$200,000 in February 1901, and in April of the present year it was raised to \$300,000. The surplus fund of the institution is \$400,000, and there are also undivided profits of \$80,306. The deposits are about \$5,000,000, and the aggregate resources are \$5,863,428.

—A movement is under way to organize a trust company to occupy the offices formerly used by the New York Produce Exchange Bank in the Produce Exchange Building. At a meeting of members of the Exchange on Monday a resolution was adopted indorsing the movement. It is the intention to organize with a capital of \$500,000 and surplus of \$250,000 and to open the institution, if possible, by Jan. 1.

—The Battery Park National Bank, 24 State Street (opposite the new Custom House), has issued a small descriptive pictorial booklet with historic views of "Old New York" in the vicinity of Battery Park. This booklet, entitled "The Battery Park Yesterday and To-Day," also contains some interesting remarks relating to the new Custom House, which has lately been turned over to the Government by the builders.

—The formation of a new trust company in the Roseville section of Newark, N. J., is planned, the institution to be called the Roseville Trust Company. The capital is to be \$100,000, and the sale of the shares (par \$100) at \$150 will yield a surplus of \$50,000. The company will engage in a general banking and trust business.

—The Broadway Trust Company, organized July 20 at Camden, N. J., the newest institution there, is making good progress. After twelve business days of its opening, its deposits were \$105,000, and on the 17th ult. they reached \$225,000. J. J. Burleigh, Vice-President of the Public Service Corporation of New Jersey, is President; Robert H. Comey and Anthony Kobus, Vice-Presidents, and B. B. Draper, Secretary and Treasurer.

—Edward A. Presbrey, Vice-President of the First National Bank of Boston, Mass., died on the 6th inst in his seventy-fifth year. Mr. Presbrey became identified with banking affairs in 1863, when he was elected Cashier of the Bank of Mutual Redemption. He continued in that capacity with the succeeding institution, the National Bank of Redemption, until 1901, at which time he was chosen Vice-President. With the absorption of the National Bank of Redemption by the First National in 1904 Mr. Presbrey was elected Vice-President of the consolidated institution.

—The Farmers' Trust, Banking & Deposit Company of Baltimore was placed in receivers' hands on Wednesday. The institution was incorporated in 1902 with an authorized capital of \$250,000 in shares of \$50; at the time it commenced business \$50,000 of its capital was paid in. It conducted branches in Maryland at Galena, Darlington, Keedysville, Hancock and Mount Airy. The present condition of the money market and the inability of the company to realize on its securities is ascribed as the reason for the company's difficulties. According to the local papers, the concern was generally recognized as being engaged chiefly in real estate promotions.

—Aaron Benesch has replaced the late David E. Evans as Vice-President of the Old Town National Bank of Baltimore, Md.

—The City Savings Fund & Trust Company of Lancaster, Pa., which failed in 1905, has, according to the Philadelphia papers, paid in full the amount due the State at the time of its suspension (reported as \$65,000), with interest. The final payment of \$7,411 was made on the 3d inst.

—The stockholders of the Mortgage Banking Company of Pittsburgh have voted to surrender their charter, go into liquidation and reorganize with \$500,000 capital and \$125,000 surplus, for the purpose of engaging in a real estate business exclusively. The company's banking business was trans-

ferred in April of last year to the Guarantee Title & Trust Company of Pittsburgh.

—The Comptroller of the Currency has approved an application to organize the American National Bank of Des Moines, Iowa, with \$700,000 capital. The officials of the Des Moines Savings Bank are sponsors for the contemplated institution, which will be operated jointly with the savings bank. It is expected that the new bank will commence business during the coming month, and its officers, directors and stockholders will be the same as those of the Des Moines Savings Bank. As a large share of the latter's business will be handled by the proposed institution, it has been decided to reduce the capital of the Des Moines Savings Bank from \$500,000 to \$200,000. The additional stock required for the American National has been subscribed for pro rata by the stockholders of the existing bank.

—Dr. C. M. Schindel has been elected President of the newly organized Live Stock National Bank of South Omaha, Neb. M. L. Lord is to be the Cashier. The institution, which has a capital of \$100,000, plans to begin business next month.

—The Central National Bank has been organized in Lincoln, Neb., with \$150,000 capital. Its affairs will be under the direction of P. L. Hall President; F. E. Johnson, Vice-President; Beman C. Fox, Cashier, and W. W. Hackney Jr. Assistant Cashier.

—The local receivership of the First National Bank of Topeka, Kansas, conducted by James T. Bradley, was terminated on the 30th ult. and such incidental matters as still require attention will be attended to by the Treasury Department at Washington through George H. Rankin, Receiver of Inactive Trusts. The bank suspended in July 1905. Dividends aggregating 82% have been paid, and it is understood that there is a likelihood of another small distribution.

—The proposed Commercial Trust Company of St. Louis, to which reference was made September 7, has been incorporated with an authorized capital of \$400,000. It is stated that \$100,000 has thus far been subscribed and \$50,000 paid in. The stock subscription is expected to be completed by December 1, the company beginning business about January 1. L. J. W. Wall has been chosen President of the institution, the other officials elected being T. K. Niedringhaus and Walter S. Dickey, Vice-Presidents, and L. J. Babler, Secretary. The company's quarters will be at Jefferson Avenue and Olive Street.

—The State Trust Company of St. Louis, organized originally as the State Loan & Trust, with \$500,000 capital, has increased its capital to \$1,000,000, and has decided to add several features to its business, which has heretofore been confined principally to real estate and loans. About November 1 it will inaugurate a savings department and other departments of a trust nature. Edward D. Steger of Bonham, Texas, has been elected President of the company. H. A. Vrooman is Vice-President, George H. Brown is Secretary and W. W. Woodson is Treasurer.

—The proposed City National Bank of Galveston, Texas, referred to September 21, will be under the management of W. L. Moody Jr., President; J. W. Riddell, Vice-President, and S. T. Hanson, Cashier. The bank will have \$200,000 capital.

—On the 1st inst. the new Harris County Savings Bank of Houston, Texas, opened for business in temporary quarters. The bank has \$50,000 capital and its officers are James H. B. House, President; John Farmer, Vice-President; R. F. Butts, Cashier, and James Fitzgerald, Assistant Cashier.

—It is announced that R. S. Stacy, Second Vice-President of the National Bank of Commerce, Seattle, has been appointed Acting Cashier of the institution in place of J. W. Maxwell, resigned. Mr. Maxwell has become Cashier of the Seattle National Bank.

—The Traders' Bank of Canada, whose head office is at 61-63 Yonge Street, recently opened a branch in its new six-story building at Yonge and Bloor streets, Toronto. The branch is located on the ground floor of the structure, in commodious quarters finished in French Renaissance style, with woodwork of birch and mahogany. At the rear of the banking room a large vault containing a heavy safe has been installed.

—The Bank of British North America (head office London) reports for the half-year ending June 29 1907 net profits, after deducting all current charges and providing for bad and doubtful debts, of \$236,167. With the balance of \$95,440 brought forward from the last account the profits for the six months were \$331,607, out of which a dividend at the rate of 6% per annum was declared, payable October 4, leaving a balance of \$176,173 to be carried forward. The sum of \$29,492 has been transferred from the profits for the half-year to the credit of the bank's investment, in consols and the following appropriations from the profit and loss account have been made: Officers' Widows and Orphans' Fund, \$2,500, and Officers' Pension Fund, \$6,934. The bank has a paid-in capital of \$4,866,666, a reserve fund of \$2,238,666 and total resources of \$53,373,440.

—The Canadian Bank of Commerce (head office Toronto) announces the opening on Sept. 25 of a branch at Nokomis, Sask., with K. W. Reikie in charge temporarily.

Monetary & Commercial English News

(From our own Correspondent.)

London, Saturday, September 28 1907.

Markets continue dull, although there is a more hopeful feeling. Just now everybody is unwilling to engage in new risks because of the uncertainty respecting the immediate course of events in Berlin and New York. This is usually the most trying week in the whole year in the Berlin money market. There is ordinarily an abnormal demand for accommodation from the Imperial Bank, and in consequence an extraordinary increase in the note circulation. During the first fortnight of September the note circulation decreased, not very largely, but still satisfactorily. In the third week, however, there has been an increase and the impression everywhere is that in the present week the increase will be enormous. At the same time, the belief of the best informed is that every advisable measure has been taken to enable the Imperial Bank freely to give the accommodation required, and therefore that the period will be tided over without serious trouble.

Germany has bought in the open market in London about a million sterling in gold. It is believed that gold from other quarters has also been secured, and therefore it is understood that the reserve of the Imperial Bank now is sufficient for all emergencies. If the opinion of the best informed turns out right, and the fear of serious troubles in Germany abates, courage will revive in the London market and probably we shall see a recovery early in October.

As to New York, the city is very much puzzled. It cannot understand, firstly, the sudden drying up of the demand for copper. Yet the impression of the best informed is that the liquidation has now been completed and that there will be no serious difficulties; that there may be, of course, fluctuations, but that they will not be so violent as they have been of late. If that turns out to be correct, the London market will be immensely strengthened and there will be a recovery here, for all the authorities are agreed that business of every kind in London is thoroughly sound and that unless something untoward happens abroad, there will certainly be no trouble here at home.

In Paris, business is checked by the continuance of the difficulties in Morocco. Three of the tribes which had joined in the attack upon Casablanca have submitted and it is hoped that an arrangement will soon be arrived at with the other tribes. If that happens, there will be great relief in France and probably an improvement on the Bourse. But as long as the position in Morocco continues to be uncertain there will be more or less apprehension.

The publication of the Anglo-Russian Agreement has made a most favorable impression in France. It is welcomed warmly by all parties. It is looked upon not only as a guaranty for the general peace of the world, but as especially a guaranty for the safety of France from an attack by Germany. In consequence, Russian bonds have been put up. This has given rise to a rumor that a new Russian loan will soon be brought out. It is believed, however, that the rumor is entirely unfounded. In the first place, the time is unpropitious for a large loan, and in the second place it is thought that Russia promised not to bring out a new loan during the present year. In any event, the best informed do not entertain any idea that a Russian loan will come out yet.

Money has been in very strong demand in the city during the past few days, in consequence of the usual requirements at the end of the month and the quarter. Moreover, the last settlement of September ended last night. Short loans were in strong demand and rates rose considerably. The rate of discount remained easy at 3¼%, for it is generally recognized that the inquiry for short loans will fall off after Monday. Nevertheless, the impression in the city is strong that we shall soon see a stiffening of the rate of discount. The best opinion is that probably the 4½% rate will prove sufficient for the remainder of the year. At the outside, few expect that the rate will have to be put up higher than 5%. But that the 4½% rate will soon be made effective

is the belief of the best observers, firstly, because the demand for gold for Egypt has set in and is expected to be strong during October. At the very least, the best observers estimate the demand at five millions sterling, and it probably may reach six or seven millions. It is also expected that there will be a good demand for South America. The reports respecting the Argentine crops are excellent. Of course it is too early yet to speak definitely about the crops, but the area under cultivation is larger than ever. The weather has been most favorable during planting and since, and as yet the locusts have not made an appearance. If, then, the crops turn out good, as they now promise to be, the call for gold will be urgent. What the demand for either Germany or America may be nobody here is able to judge, and of course there are various other demands that cannot be estimated. Under the circumstances, therefore, the best opinion undoubtedly is that very soon now the 4 1/2% rate will become effective.

The India Council offered for tender on Wednesday 30 lacs of bills, and the applications exceeded 287 lacs at prices ranging from 1s. 4d. to 1s. 4 1/16d. per rupee. Applicants for bills at 1s. 4 1/32d. were allotted about 12% of the amounts applied for.

The following return shows the position of the Bank of England, the Bank rate of discount, the price of consols, &c., compared with the last four years:

Table with 5 columns: Year (1907, 1906, 1905, 1904, 1903) and rows for Circulation, Public deposits, Other deposits, Government securities, Other securities, Reserve, notes & coin, Coin & bull., both dep., Prop. reserve to liabilities, Bank rate, Consols, Silver, Clear-house returns.

The rates for money have been as follows:

Table with 5 columns: Date (Sept. 27, Sept. 20, Sept. 13, Sept. 4) and rows for Bank of England rate, Open Market rate, Trade bills, Interest allowed for deposits, By joint-stock banks, By discount houses, At call, 7 to 14 days.

The Bank rates of discount and open market rates at the chief Continental cities have been as follows:

Table with 4 columns: City (Paris, Berlin, Hamburg, Frankfurt, Amsterdam, Brussels, Vienna, St. Petersburg, Madrid, Copenhagen) and rows for Bank Rate, Open Market Rate.

Messrs. Pixley & Abell write as follows under date of Sept. 26:

GOLD.—The foreign demand for gold was not so keen this week, and the Bank of England was able to secure about £150,000, the balance being taken by Germany and France. Since our last the Bank has received £190,000, of which £175,000 is in bars, while £580,000 has been taken for export, of which £280,000 for Egypt and £200,000 for Constantinople. Next week we expect about £890,000 from South Africa. Arrivals—Cape £436,000; Australia, £180,000; New Zealand, £31,000; West Africa, £18,000; West Indies, £20,000; total, £685,000. Shipments—Bombay, £81,900; Calcutta, £15,000; Colombo, £5,000; total, £101,900.

SILVER.—The abundance of cash silver has proved too much for the market and, chiefly in consequence of this, the price fell to 31 1/16d., recovering to-day to 31 1/2d. Forward is now at premium of 3-16d. The Bazaars have bought moderately. China also has bought, but the Indian Government continues to be the chief support of the market. Price in India, Rs. 79 1-16. Arrivals—New York, £286,000; West Indies, £4,000; total, £290,000. Shipments—Bombay, £111,290; Colombo, £1,000; Calcutta, £45,000; Singapore, £26,250 total, £183,540.

MEXICAN DOLLARS.—No transactions during the week and remain nominal. Imports—New York, £6,000. Exports—Nil.

The quotations for bullion are reported as follows:

Table with 4 columns: Date (Sept. 27, Sept. 20) and rows for Gold (London Standard, Bar gold, U.S. gold coin, German gold coin, French gold coin, Japanese yen) and Silver (London Standard, Bar silver, Mexican dollars).

The following shows the imports of cereal produce into the United Kingdom during the season to date, compared with previous seasons:

Table with 5 columns: Year (1907-08, 1906-07, 1905-06, 1904-05) and rows for Imports of wheat, Barley, Oats, Peas, Beans, Indian corn, Flour.

Supplies available for consumption (exclusive of stock on September 1):

Table with 5 columns: Year (1907-08, 1906-07, 1905-06, 1904-05) and rows for Wheat imported, Imports of flour, Sales of home-grown, Total, Average price of wheat, Average price, season.

The following shows the quantities of wheat, flour and maize afloat to the United Kingdom:

Table with 5 columns: Year (This week, Last week, 1907, 1906) and rows for Wheat, Flour, Maize.

English Financial Markets—Per Cable.

The daily closing quotations for securities, &c., at London as reported by cable have been as follows the past week:

Table with 8 columns: Date (Week ending Oct. 11, Sat., Mon., Tues., Wed., Thurs., Fri.) and rows for various securities like Consols, French Rentes, Russian Imperial, Amalgamated Copper Co., etc.

Commercial and Miscellaneous News

TREASURY CURRENCY HOLDINGS.—The following compilation, based on official Government statements, indicates the currency holdings of the Treasury on the first of August, September and October 1907. Statements for corresponding dates in previous year will be found in our issue of October 13 1906, page 869.

Table with 4 columns: Date (Aug. 1 1907, Sept. 1 1907, Oct. 1 1907) and rows for Treasury Net Holdings, Total cash in Sub-Treasuries, Less gold reserve fund, Cash balance in Sub-Treasuries, Cash in national banks, Cash in Philippine Islands, Net cash in banks, Sub-Treasuries, Deduct current liabilities, Available cash balance.

a "Chiefly disbursing officers' balances." b Includes \$3,667,258 silver bullion and \$943,887 minor coin, &c., not included in statement "Stock of Money."

STOCK OF MONEY IN THE COUNTRY.—The following table shows the general stock of money in the country as well as the holdings by the Treasury, and the amount in circulation, on the dates given. The statement for October 1 1906 will be found in our issue of October 6 1906, page 795.

Table with 4 columns: Date (Oct. 1 1907, Oct. 1 1906) and rows for Stock of Money (In United States, Held in Treasury) and Money in Circulation (Oct. 1 1907, Oct. 1 1906).

Total Population of the United States Oct. 1 1907 estimated at 86,429,000; circulation per capita, \$32.46.

a For redemption of outstanding certificates an exact equivalent in amount of the appropriate kinds of money is held in the Treasury, and is not included in the account of money held as assets of the Government.

d This statement of money held in the Treasury as assets of the Government does not include deposits of public money in National Bank Depositories to the credit of the Treasurer of the United States, amounting to \$158,304,380.82.

GOVERNMENT REVENUE AND EXPENDITURES.—

Through the courtesy of the Secretary of the Treasury, we are enabled to place before our readers to-day the details of Government receipts and disbursements for the month of August. From previous returns we obtain the figures for

previous months, and in that manner complete the statement for the eight months of the calendar years 1907 and 1906. For statement of Sept. 1906 see issue of Oct. 13 1906, page 869.

RECEIPTS AND DISBURSEMENTS (000s omitted).

Table with columns for Receipts 1907, Disbursements 1907, and Total Disbursed. Rows include National Bank, Public Works, Interest, and various other categories.

National Banks.—The following information regarding national banks is from the Treasury Department:

APPLICATION TO CONVERT INTO NATIONAL BANKS APPROVED.

- List of approved applications for national banks, including The Dakota County State Bank, Lakeville, Minnesota; The First National Bank of Lakeville, Minnesota; and others.

LIQUIDATION.

3,868—The First National Bank of Rockland, Massachusetts, was placed in voluntary liquidation September 28 1907.

DIVIDENDS.

The following shows all the dividends announced for the future by all large or important corporations: Dividends announced this week are printed in italics.

Table of dividends with columns: Name of Company, Per Cent., When Payable, and Books Closed. Includes Railroads (Steam), Street Railways, Banks, and Trust Companies.

Large table of dividends with columns: Name of Company, Per Cent., When Payable, and Books Closed. Includes Railroads (Steam), Street Railways, Banks, Trust Companies, and Miscellaneous.

a Transfer books not closed. b Also 2 1/2% payable April 15 1908. c Payable in dividend warrants also 2% declared on second preferred, payable to holders of record April 10 1908. d From properties held by Lake Superior Co.

Auction Sales.—Among other securities the following, not regularly dealt in at the Board, were recently sold at auction: By Messrs. Adrian H. Muller & Son:

Table of auction sales with columns: Stocks, Amount, and Description. Includes 124 China & Japan Trading Co., 7 Hill Brothers Co., etc.

Statement of New York City Clearing-House Banks.

The following statement shows the condition of the New York City Clearing-House banks for the week ending Oct. 5. It should be distinctly understood that as to all items except capital and surplus the figures are the averages of the daily results, not the totals at the end of the week. In other words, in reporting loans and deposits and holdings of specie and legal tenders, the practice is to take the aggregate of the amounts for the several days of the week and divide this aggregate by the number of days.

We omit two ciphers (00) in all cases.

Table with columns: Banks, Capital, Surplus, Loans, Specie, Legals, Deposits, Res'trate. Lists various banks like Bank of N.Y., Manhattan Co., Merchants', etc., with their financial figures.

a Total United States Deposits included, \$32,514,900.

Reports of Non-Member Banks.—The following is the statement of condition of the non-member banks for the week ending Oct. 5, based on average daily results.

We omit two ciphers (00) in all cases.

Table with columns: Banks, Capital, Surplus, Loans and Investments, Specie, Legal Tender and Bank Notes, Deposit with Clearing Agent, Other Banks, etc., Net Deposits. Lists banks like N.Y. City, Wash. Hg'ts, Chelton Exch, etc.

New York City, Boston and Philadelphia Banks.—Below is a summary of the weekly returns of the Clearing-House banks of New York City, Boston and Philadelphia. The New York figures do not include results for non-member banks:

We omit two ciphers (00) in all these figures.

Table with columns: Banks, Capital and Surplus, Loans, Specie, Legals, Deposits, Circulation, Clearings. Compares New York, Boston, and Philadelphia banks.

a Including for Boston and Philadelphia the item "due to other banks" and also Government deposits. For Boston these Government deposits amounted on October 5 to \$4,392,000; on September 28 to \$4,154,000.

Imports and Exports for the Week.—The following are the imports at New York for the week ending Oct. 5, also totals since the beginning of the first week in January:

FOREIGN IMPORTS AT NEW YORK.

Table with columns: For the week, 1907, 1906, 1905, 1904. Rows include Dry Goods, General Merchandise, Total, etc.

The following is a statement of the exports (exclusive of specie) from the port of New York to foreign ports for the week ending Oct. 5 and from Jan. 1 to date.

EXPORTS FROM NEW YORK FOR THE WEEK.

Table with columns: For the week, 1907, 1906, 1905, 1904. Rows include For the week, Previously reported, Total 40 weeks.

The following table shows the exports and imports of specie at the port of New York for the week ending Oct. 5 and since Jan. 1 1907, and for the corresponding periods in 1906 and 1905:

EXPORTS AND IMPORTS OF SPECIE AT NEW YORK.

Table with columns: Gold, Exports, Imports, Week, Since Jan. 1. Rows include Great Britain, France, Germany, etc.

Of the above imports for the week in 1907, \$3,405 were American gold coin and \$147 American silver coin. Of the exports during the same time \$10,000 were American gold coin and ... were American silver coin.

Banking and Financial.

We shall be pleased to mail investors copies of the ninth edition of our 10-page circular describing 65 Short-Term Notes and Collateral Trust Bonds with approximate market prices.

Spencer Trask & Co.

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Bankers' Gazette.

Wall Street, Friday Night, Oct. 11 1907.

The Money Market and Financial Situation.—Except for the announcement on Monday of an extra dividend on Great Northern shares, the events of the week have generally had a depressing influence and security values are again lower. The announcement referred to caused a rather sharp advance in Great Northern and Northern Pacific stocks, but this was soon lost and these issues joined the downward movement, which included practically all the shares traded in.

Among the developments which have influenced the market are the Government report, indicating a smaller corn crop than last month's estimate; heavy liquidation of American securities by European holders; the firm condition of the money market, and, perhaps, the progress made by the Public Service Commission in its investigation of local traction affairs.

Of these factors the money market is, no doubt, the most potent. Rates are higher and it is reported that commercial houses find it increasingly difficult to secure needed funds. The foreign exchange market has shown a hardening tendency, notwithstanding the fact that large purchases of grain have been made for shipment abroad. The prices of wheat and corn have advanced on this active foreign demand.

The open market rates for call loans on the Stock Exchange during the week on stock and bond collaterals have ranged from 2½ to 6%. To-day's rates on call were 4¼@4¾%. Prime commercial paper quoted at 7% for endorsements and 7% for best single names.

The Bank of England's weekly statement on Thursday showed a decrease in bullion of £1,855,473 and the percentage of reserve to liabilities was 46.51 against 48.86 last week.

The discount rate remains at 4½%, as fixed August 15. The Bank of France shows a decrease of 2,500,000 francs in gold and 25,200,000 francs in silver.

The New York City Clearing-house banks in their statement of October 5 showed a decrease of \$7,621,100 in the reserve held and a surplus of \$2,648,075 against \$5,646,575 the previous week.

	1907. Oct. 5.	Differences from previous week.	1906. Oct. 6.	1905. Oct. 7.
Capital	129,400,000		118,150,000	115,972,700
Surplus	164,098,300		154,235,000	140,160,800
Loans and discounts	1,089,068,400	Dec. 11,283,100	1,052,331,200	1,059,740,900
Circulation	50,657,800	Inc. 19,300	45,749,200	54,142,400
Net deposits	*1,036,703,300	Dec. 18,490,400	1,031,338,700	1,059,261,700
Specie	192,216,700	Dec. 6,591,200	192,084,000	195,038,400
Legal tenders	69,607,200	Dec. 1,029,900	75,173,800	74,063,200
Reserve held	261,823,900	Dec. 7,621,100	267,257,800	269,101,600
25% of deposits	259,175,825	Dec. 4,622,600	257,834,675	264,815,425
Surplus reserve	2,648,075	Dec. 2,998,500	9,423,125	4,286,175

*\$32,514,900 United States deposits included, against \$31,613,400 last week and \$30,479,200 the corresponding week of 1906. With these United States deposits eliminated, the surplus reserve would be \$10,776,800 on October 5 and \$13,549,925 on September 28.

Note.—Returns of separate banks appear on preceding page.

Foreign Exchange.—The market was generally strong this week, influenced by a good demand for remittance and by a moderate supply of bills. One feature was a rise in francs to near the gold-export point. To-day's (Friday's) nominal rates for sterling exchange were 4 83 for sixty day and 4 87 for sight. To-day's (Friday's) actual rates for sterling exchange were 4 8250@4 8260 for long, 4 8610@4 8615 for short and 4 8680@4 8685 for cables. Commercial on banks 4 8210@4 8225, and documents for payment 4 81½@4 82½. Cotton for payment 4 81½@4 81½; cotton for acceptance 4 8210@4 8225, and grain for payment 4 82¾@4 82½.

To-day's (Friday's) actual rates for Paris bankers' francs were 5 20@5 19¾a for long and 5 16¼h@5 16¼a for short. Germany bankers' marks were 94 3-16@94¼ for long and 94 15-16d@94 15-16 for short. Amsterdam bankers' guilders were 40 36@40 38 for short.

Exchange at Paris on London to-day 25f. 12½c.; week's range 25f. 13½c. high and 25f. 12c. low.

The week's range for exchange rates follows:

	Long	Short	Cables
<i>Sterling, Actual—</i>			
High	@ 4 8260	| 4 8610	| 4 8615 @ 4 8690
Low	@ 4 8225	| 4 8580	@ 4 8590 @ 4 8665 @ 4 8670
<i>Paris Bankers' Francs—</i>			
High	@ 5 20	| @ 5 19¾a	| 5 16¼h @ 5 16¼a
Low	@ 5 20	| @ 5 20	| @ 5 16¼d
<i>Germany Bankers' Marks—</i>			
High	@ 94¼	| @ 94 15-16	| @ 94 15-16
Low	@ 94 3-16	| @ 94¼	| @ 94¼
<i>Amsterdam Bankers' Guilders—</i>			
High	@ 40 36	| @ 40 38	|
Low	@ 40 5-16	| @ 40¾	|

Less: a 1-16 of 1%. d 1-32 of 1%. h 3-32 of 1%.
Plus: k 1-16 of 1%. z 1-32 of 1%. y 3-32 of 1%.

The following were the rates for domestic exchange on New York at the undermentioned cities to-day: Savannah buying 50c. per \$1,000 discount; selling 75c. per \$1,000 premium. Charleston selling \$1 per \$1,000 premium. New Orleans bank 75c. per \$1,000 discount; commercial \$1 per \$1,000 discount. Chicago 5c. per \$1,000 discount. St. Louis 10c. per \$1,000 discount. San Francisco 70c. per \$1,000 premium.

State and Railroad Bonds.—Sales of State bonds at the Board include \$20,000 Virginia 6s deferred trust receipts at 26½ to 26½ and \$1,000 Tennessee settlement 3s at 92¼.

The market for railway and industrial bonds has been only fairly active and generally weak. There is, as for some time past, almost no demand for this class of securities and offerings, even if the amount is limited, generally result in lower prices.

Of the special features Baltimore & Ohio gold 4s are conspicuous for an advance of nearly a point. Interboro-Metropolitan and Brooklyn Rapid Transit bonds have been weak in sympathy with the shares, as have several convertible issues. Consolidated Gas, United States Steel and American Tobacco issues are about 2 points lower than last week, and practically all the railway bonds traded in show a net decline of from 1 to 2 points.

United States Bonds.—Sales of Government bonds at the Board are limited to \$5,000 2s reg. 1930 at 105½, and \$500 3s reg. 1908-18 at 102. The following are the daily closing quotations; for yearly range see third page following.

	Interest Periods	Oct. 5	Oct. 7	Oct. 8	Oct. 9	Oct. 10	Oct. 11
2s, 1930	registered Q-Jan	*105¼	105½	*105¼	*105¼	*105¼	*105¼
2s, 1930	coupon Q-Jan	*105¼	*105¼	*105¼	*105¼	*105¼	*105¼
3s, 1908-18	registered Q-Feb	*101¼	*101¼	*101¼	*101¼	*101¼	*101¼
3s, 1908-18	coupon Q-Feb	*102¼	*102¼	*102¼	*102¼	*102¼	*102¼
3s, 1908-18	small coupon Q-Feb	*101¼	*101¼	*101¼	*101¼	*101¼	*101¼
4s, 1925	registered Q-Feb	*124¼	*124	*124	*123¾	*123¾	*123¾
4s, 1925	coupon Q-Feb	*124¼	*124	*124	*123¾	*123¾	*123¾
2s, 1936	Panama Canal regis Q-Nov	*105	*105	*105	*105	*105	*105

* This is the price bid at the morning board; no sale was made.

Railroad and Miscellaneous Stocks.—The stock market has been more active, especially during the latter part of the week. On Monday and Tuesday the conditions were similar to those reported last week. The transactions were on a limited scale and fluctuations narrow and irregular. But on Wednesday and continuing up to the close to-day the offerings increased and were more urgent, and as a consequence prices of all classes of stocks declined rapidly.

When at the lowest, several prominent issues had declined from 4 to 7 points, including Union Pacific, Northern Pacific, Southern Pacific, Great Northern, Baltimore & Ohio, Reading, Louisville & Nashville and Brooklyn Rapid Transit. Only two of these, however, reached the low figures heretofore recorded, although the entire active list shows a net loss during the week.

Several industrial issues have been notably weak and lead the general decline. Consolidated Gas declined 5 points to-day and is 10 points lower than last week. General Electric is down 10½ points and Smelting & Refining 11 points.

For daily volume of business see page 912.

The following sales have occurred this week of shares not represented in our detailed list on the pages which follow:

STOCKS.	Sales for Week.	Range for week.		Range since Jan. 1.	
		Lowest.	Highest.	Lowest.	Highest.
Baloklala Copper	3,560	\$3½ Oct 11	\$5 Oct 5	\$3½ Oct 11	July
Bethlehem Steel Corp.	100	12 Oct 10	12 Oct 10	9 Aug 20¼	Jan
Chic Un Trac trust recs.	100	2½ Oct 7	2½ Oct 7	1½ Oct 3½	May
Colorado Fuel & Iron, p	100	35 Oct 11	35 Oct 11	35 Oct 8½	Jan
Comstock Tunnel	200	28c Oct 7	28c Oct 8	22c Sept 50c.	Jan
Gr Northern subscrip'n receipts, 70% paid.	1,600	115 Oct 11	116¼ Oct 9	105¼ Aug 130¾	Apr
Homestake Mining	100	70¼ Oct 10	70¼ Oct 10	55½ May 85	Feb
Horn Silver Mining	400	\$1.65 Oct 8	\$1.65 Oct 8	\$1.60 Apr \$1.75	Jan
New Central Coal	100	25 Oct 9	25 Oct 9	25 Oct 25	Oct
Ontario Silver Mining	200	3 Oct 8	3 Oct 9	2½ Oct 8½	Feb
Peoria & Eastern	4	15 Oct 10	15 Oct 10	15 Oct 30	Jan
Pitts Ft Wayne & Chic	100	163 Oct 9	163 Oct 9	163 Oct 168	May
Tennessee Coal, rights	200	2½ Oct 11	2½ Oct 11	2½ Oct 2½	Oct
Western Maryland	200	9 Oct 10	9 Oct 10	9 Oct 30½	Jan

Outside Market.—The course of values on the Stock Exchange this week was reflected in a continued weakening of prices in the "curb" market, culminating to-day in sharp breaks for many of the active issues. Chief interest centred in the copper and other mining shares, many of these touching new low records. Greene Cananea dropped from 8 to 6¼, the lowest on record, and closed to-day at 7. Boston Consolidated Copper moved down from 15½ to 12½, closing at the low figure. British Columbia Copper receded from 5½ to 4¾, and closes to-day at 5. Butte Coalition lost about 2 points to 13¾ during the week, and to-day broke to 12. United Copper common sank from 47½ to 46¼, fell to 45½ to-day and rallied finally to 46¾. The preferred sold down from 78½ to 73. Cumberland-Ely, after fluctuating between 6½ and 6, went down to 5 to-day, the close being at 5½. Davis-Daly Estates fell from 7½ to 6¾, then advanced, reaching 8 to-day, and closed at 7½. Nevada Consolidated Copper rose from 9½ to 9¾, declined to 9¼, and to-day dropped to 8, closing at 7¾. Nipissing moved up from 6¾ to 7 and down finally to 6½. Standard Oil suffered the greatest loss among industrials. It sold up 2 points to 450, then broke to 440, further recessions in the closing days of the week carrying the price to 435. American Tobacco to-day fell off from 222 to 220. Consolidated Steamship stock ranged between 2¾ and 2½ with a decline to 2½ to-day. The 4% bonds, after an advance from 23½ to 24½, dropped to 22½. Manhattan Transit fluctuated between 4 and 3¾ and New York New Haven & Hartford "rights" between 2¼ and 2½. Chicago Subway moved down 2 points to 16, but recovered all the loss.

Outside quotations will be found on page 912.

STOCKS—HIGHEST AND LOWEST SALE PRICES.

Table with columns for dates from Saturday October 5 to Friday October 11, listing various stock prices and movements.

Sales of the Week Shares

Table listing sales of the week for various stocks, including Unit Rys Inv't of San Fran, Wabash, and others.

STOCKS NEW YORK STOCK EXCHANGE

Main table of stock prices and movements, including columns for range for year 1907 and range for previous year (1906).

Range for Year 1907 On basis of 100-share lots.

Table showing price ranges for the year 1907 for various stocks.

Range for Previous Year (1906)

Table showing price ranges for the previous year (1906) for various stocks.

BANKS AND TRUST COMPANIES—BANKERS' QUOTATIONS.

Table listing quotations for various banks and trust companies, including Union Exc, Wash H'ts, West Side, and others.

*Bid and asked prices; no sales on this day. †Less than 100 shares. ‡Ex-rights. §New stock. ¶Ex-dividend and rights. ¶Now quoted dollars per share. †Sale at Stock Exchange or at auction this week. †Trust Co. certificates. †Banks marked with a paragraph (¶) are state banks.

BONDS N. Y. STOCK EXCHANGE WEEK ENDING OCT 11. Table listing bond details for the first section, including issuer, price, and date.

BONDS N. Y. STOCK EXCHANGE WEEK ENDING OCT 11. Table listing bond details for the second section, including issuer, price, and date.

MISCELLANEOUS BONDS—Continued on Next Page.

Miscellaneous Bonds section 1, listing various utility and corporate bonds with columns for issuer, price, and date.

Miscellaneous Bonds section 2, continuing the list of utility and corporate bonds.

No price Friday; latest bid and asked this week. a Due Jan b Due Feb c Due Apr d Due May e Due July f Due Aug g Due Oct h Due Dec i Option Sale

BONDS N. Y. STOCK EXCHANGE WEEK ENDING OCT 11. Table with columns: Bond, Price, Week's Range, Range Since, and various bond details.

BONDS N. Y. STOCK EXCHANGE WEEK ENDING OCT 11. Table with columns: Bond, Price, Week's Range, Range Since, and various bond details.

MISCELLANEOUS BONDS—Continued on Next Page

Coal and Iron Table listing various bonds with columns for Bond, Price, Week's Range, and Range Since.

Telegraph and Telephone Table listing various bonds with columns for Bond, Price, Week's Range, and Range Since.

*No price Friday; latest bid and asked. a Due Jan b Due Feb c Due Mar d Due Apr e Due July f Due Aug g Due Oct h Due Nov i Due Dec j Option Sale

BOND		Price		Week's		Bonds	Range		BOND		Price		Week's		Bonds	Range	
N. Y. STOCK EXCHANGE		Friday		Range or			Since		N. Y. STOCK EXCHANGE		Friday		Range or			Since	
WEEK ENDING OCT 11		Oct 11		Last Sale		January 1		WEEK ENDING OCT 11		Oct 11		Last Sale		January 1			
		Bid	Ask	Low	High	No	Low	High		Bid	Ask	Low	High	No	Low	High	
<p>Manufacturing & Industrial</p> <p>Beth Steel 1st ext 5 1/2 1926 J-J 95 96 Aug '06</p> <p>Cent Leather 20-year g 5 1/2 1925 A-O 86 Sale 89 87 29 85 89</p> <p>Consol Tobacco 50-yr g 4 1/2 1951 F-A 83 84 83 83 1 82 79</p> <p>Distl Sec Cor conv 1st g 5 1/2 1927 F-A 72 Sale 72 74 80 70 90</p> <p>Int Paper Co 1st con g 6 1/2 1918 F-A 105 106 105 106 101 103 1/2</p> <p>Consol conv s f g 5 1/2 1935 J-J 87 87 Sep '07 87 92</p> <p>Int St Pump 10-yr conv 6 1/2 1913 J-J 97 100 97 Aug '07 97 105</p> <p>Knicker Ice (Chic) 1st g 5 1/2 1928 A-O 97 100 97 Oct '05 97 105</p> <p>Lackaw Steel 1st g 5 1/2 1923 A-O 91 95 Sep '07 94 102</p> <p>Nat Starch Mfg Co 1st g 6 1/2 1920 M-N 83 83 Aug '07 83 84</p> <p>Nat Starch Co 1st deb 5 1/2 1925 J-J 70 70 Apr '07 70 70</p> <p>Repub I & S 1st con g 5 1/2 1934 A-O 90 93 90 95 90 97</p> <p>U S Leather Co 1st con g 5 1/2 1913 M-N 103 103 Sep '07 103 106 1/2</p> <p>U S Steel Corp—1 coup. d 1963 M-N 77 Sale 76 77 14 76 80</p> <p>U S Steel Corp—1 coup. d 1963 M-N 92 95 Sale 92 95 33 90 93 1/2</p> <p>U S Steel Corp—1 coup. d 1963 M-N 92 95 Sale 92 95 33 90 93 1/2</p> <p>Va-Car Chem Co 1st g 5 1/2 1912 A-O 82 85 87 1/2 Aug '07 87 93</p> <p>Westinghouse E & M s f 5 1/2 1931 J-J 86 86 Sale 85 88 7 85 97 1/2</p>																	
<p>MISCELLANEOUS BONDS—Concluded.</p> <p>Adams Ex col tr g 4 1/2 1948 M-S 89 Sale 88 1/2 90 80 83 1/2 103</p> <p>Am SS Co of W Va g 5 1/2 1920 M-N 100 100 J'ne '02 100 100</p> <p>B'k'n Ferry Co 1st con g 5 1/2 1945 F-A 25 41 Oct '06 101 101</p> <p>Chic & St Yarr col g 5 1/2 1915 J-J 103 101 M'y '0 101 101</p> <p>Det M & M Id gr incomes. 1911 A-O 70 Sep '06 54 60 122 54 70 1/2</p> <p>Int Mercan Marine 4 1/2 1922 A-O 55 1/2 Sale 54 60 122 54 70 1/2</p> <p>Int Navigation 1st s f 5 1/2 1922 F-A 80 85 1/2 J'ly '07 85 85 1/2</p> <p>Man Sch r & L gen g 4 1/2 1940 M-N 50 Feb '05 50 Feb '05 50 Feb '05</p> <p>Newp Ne Ship & D 5 1/2 1890 J-J 88 1/2 88 1/2 89 7 87 1/2 95</p> <p>N Y Dock 50-yr 1st g 4 1/2 1951 F-A 80 80 85 85 6 84 1/2 90</p> <p>Providence Sec deb 4 1/2 1957 M-N 80 80 85 85 6 84 1/2 90</p> <p>Provident Loan Soc 4 1/2 1921 M-S 99 May '06 99 May '06 99 May '06</p> <p>St Joseph Stk Yds 1st g 4 1/2 1930 J-J 100 100 J'ne '03 100 100</p> <p>St L Ter Supplies Stat'n & Prop Co 1st g 4 1/2 5-20 year. 1917 J-J 112 J'ly '04 112 J'ly '04</p> <p>S Yuba Wat Co con g 6 1/2 1923 J-J 115 1/2 J'ly '09 115 1/2 J'ly '09</p> <p>S Yuba Wat Works 1st g 6 1/2 1906 M-S 90 90 Aug '07 89 96</p> <p>U S Red & Ref 1st s f g 5 1/2 1931 90 90 Aug '07 89 96</p>																	

* No price Friday; latest bid and asked this week. † Due Jan ‡ Due Feb § Due Apr ¶ Due May g Due J'ne A Due J'ly p Due Nov † Option Sale

Table with columns for BOSTON STOCK EXCHANGE WEEK ENDING OCT 11, Price Friday Oct 11, Week's Range or Last Sale, Range since January 1, and BOSTON STOCK EXCHANGE WEEK ENDING OCT 11, Price Friday Oct 11, Week's Range or Last Sale, Range since January 1.

NOTE—Buyer pays accrued interest in addition to the purchase price for all Boston Bonds. * No price Friday; latest bid and asked. † Flat price.

Philadelphia and Baltimore Stock Exchanges—Stock Record, Daily, Weekly, Yearly

Large table with columns for Share Prices—Not Per Centum Prices (Saturday Oct 5 to Friday Oct 11), ACTIVE STOCKS (Baltimore and Philadelphia), and PHILADELPHIA/BALTIMORE (Inactive Stocks, Bonds, and various companies like Allegheny, American Cement, etc.).

* Bid and asked; no sales on this day. † Ex-rights. ‡ \$7.50 paid. § \$15 paid. ¶ \$10 paid. †† \$35 paid. a Receipts. b \$25 paid. c \$30 paid. d \$42.50 paid

Volume of business at Stock Exchanges

TRANSACTIONS AT THE NEW YORK STOCK EXCHANGE DAILY, WEEKLY AND YEARLY.

Table showing weekly and total transactions at the New York Stock Exchange, including columns for Week ending Oct. 11 1907, Stocks (Shares, Par value), Railroad Bonds, State Bonds, and U. S. Bonds.

Table showing sales at the New York Stock Exchange for 1907 and 1906, categorized by Stocks, Bonds, and RR. and misc. bonds.

DAILY TRANSACTIONS AT THE BOSTON AND PHILADELPHIA EXCHANGES

Table showing daily transactions at the Boston and Philadelphia exchanges, with columns for Week ending Oct. 11 1907, Boston (Listed, Unlisted, Bond sales), and Philadelphia (Listed, Unlisted, Bond sales).

Outside Securities

A weekly review of Outside Market will be found on a preceding page.

Large table of Outside Securities, organized by Street Railways (New York City, Other Cities), Gas Securities (New York, Other Cities), and Electric Companies (New York, Other Cities).

Table of Telegraph & Telephone stocks, listing companies like Amer Teleg & Cable, Central & So Amer, and others with Bid and Ask prices.

Table of Ferry Companies, listing Brooklyn Ferry, N Y & N J Ferry, and others with Bid and Ask prices.

Table of Short-Term Notes, listing various notes from companies like Am Cigar, Am Tel & Tel, and others with Bid and Ask prices.

Table of Railroad stocks, listing companies like Chic Peo & St L, Deposition, and others with Bid and Ask prices.

Table of Industrial and Miscel stocks, listing companies like Ahmeek Mining, Allance Realty, and others with Bid and Ask prices.

Table of Industrial and Miscel stocks (continued), listing companies like Am Graphophone, Amer Hardware, and others with Bid and Ask prices.

* Per share. † Buyer pays accrued int. a Ex-rights. e Sells on Stk. Ex., but not very active. l New stock. n Nominal. s Sale price. x Ex-div.

Investment and Railroad Intelligence.

RAILROAD GROSS EARNINGS.

The following table shows the gross earnings of every STEAM railroad from which regular weekly or monthly returns can be obtained. The first two columns of figures give the gross earnings for the latest week or month, and the last two columns the earnings for the period from July 1 to and including such latest week or month. We add a supplementary statement to show the fiscal year totals of those roads whose fiscal year does not begin with July, but covers some other period. The returns of the street railways are brought together separately on a subsequent page.

Main table of Railroad Gross Earnings with columns for Road, Week or Month, Current Year, Previous Year, July 1 to Latest Date, Current Year, Previous Year. Includes various fiscal years and monthly summaries.

AGGREGATES OF GROSS EARNINGS—Weekly and Monthly.

Summary table with columns: Monthly Summaries, Cur't Year, Prev's Year, Inc. or Dec., %. Rows include 3d week July, 4th week July, 1st week Aug, etc.

a Mexican currency. b Includes earnings of Gulf & Chicago Division. c Includes the Houston & Texas Central and its subsidiary lines in both years. d Covers lines directly operated. e Includes the Chicago & Eastern Illinois in both years. f Includes Evansville & Indiana RR. A Includes earnings of Col. & South., Ft. Worth & Denver City and all affiliated lines, excepting Trinity & Brazos Valley RR. * Includes in both years earnings of Denver End & Gulf RR., Peos System and Santa Fe Prescott & Phoenix Ry.

Latest Gross Earnings by Weeks.—In the table which follows we sum up separately the earnings for the fourth week of September. The table covers 41 roads and shows 8.33% increase in the aggregate over the same week last year.

Table with 5 columns: Fourth week of September, 1907, 1906, Increase, Decrease. Lists 41 roads with their respective earnings and percentage changes.

For the month of September the returns of 49 roads show as follows:

Summary table for September with 5 columns: Month of September, 1907, 1906, Increase, %. Shows aggregate earnings of \$51,318,870 for 1907 vs \$47,454,544 for 1906, an 8.14% increase.

It will be seen that there is a gain on the roads reporting in the amount of \$3,864,326, or 8.14%.

Net Earnings Monthly to Latest Dates.—The table following shows the gross and net earnings of STEAM railroads reported this week. A full detailed statement, including all roads from which monthly returns can be obtained, is given once a month in these columns, and the latest statement of this kind will be found in the issue of Sep. 28 1907. The next will appear in the issue of October 26.

Large table with 5 columns: Roads, Gross Earn'gs Current Year, Previous Year, Net Earnings Current Year, Previous Year. Lists numerous railroads and their earnings data.

Table with 5 columns: Roads, Gross Earn'gs Current Year, Previous Year, Net Earnings Current Year, Previous Year. Lists specific roads like Rock Island, St Louis & San Fran, etc.

a Net earnings here given are after deducting taxes. b Net earnings here given are before deducting taxes. c Figures revised for previous year so as to accord with the new classification of earnings and expenses now required by the Inter-State Commerce Commission. g These figures are in Mexican currency.

Table with 5 columns: Roads, Int., Rentals, &c Current Year, Previous Year, Bal. of Net E'ngs Current Year, Previous Year. Lists roads like Bangor & Aroostook, Bellefonte Central, etc.

c After allowing for miscellaneous charges and credits to income. d These figures are after allowing for other income and for discount and exchange. The sum of \$10,000 is deducted every month from surplus and placed to the credit of the renewal fund. x After allowing for other income received.

STREET RAILWAYS AND TRACTION COMPANIES.

Table with 6 columns: Name of Road, Latest Gross Earnings (Week or Month, Current Year, Previous Year), Jan. 1 to latest date (Current Year, Previous Year). Lists streetcar and traction companies.

a Figures for the month in both years include operations of the Scranton Ry., acquired Jan. 1 1906. b Figures are from Feb. 1. c These figures are for consolidated company. d These are results for main line. f Now includes Rapid Ry. Syst., Sandwich Windsor & Amherstburg Ry. and Detroit Monroe & Toledo Short Line Ry. h These are early preliminary returns decrease due to earthquake, fire and strike among employees, Aug. 26 to Sept. 5 1906.

Table showing financial data for 1907, 1906, 1905, and 1904. Includes categories like Liabilities, Stock, Bonds, Loans, Taxes, and Profit and loss.

Great Northern Railway.

(Report for the Fiscal Year ending June 30 1907.)

The annual report will be given at length another week, including the revenue and income accounts, the general balance sheet &c., &c.

The operating expenses in the late year are regarded as abnormal, being largely increased in January, February and March last by the cost of keeping the road open for operation after the excessive snowfall in those months.

STATISTICS OF TRAFFIC, NOT INCLUDING SPOKANE FALLS & NORTHERN SYSTEM.

Table showing traffic statistics for 1906-07, 1905-06, 1904-05, and 1903-04. Includes passengers, freight, and train load.

a Company's freight excluded.

Table showing EARNINGS OF LINES LEASED AND OPERATED BY GT. NOR. RY. for 1906-07, 1905-06, 1904-05, and 1903-04.

ENTIRE GREAT NORTHERN RAILWAY SYSTEM.

Table showing traffic statistics for the entire Great Northern Railway System for 1906-07, 1905-06, 1904-05, and 1903-04.

Northern Pacific Railway.

(Report for Fiscal Year ending June 30 1907.)

Below we give the income account as appearing in the pamphlet report for the year ending June 30 last, with comparative figures for preceding years. Further data will be given another week.

Table showing financial results for Northern Pacific Railway for 1906-07, 1905-06, 1904-05, and 1903-04. Includes earnings, expenses, and dividends.

Note.—In the reports for each of the earlier years above referred to was shown a deduction of \$3,000,000 appropriated from income for additions to and betterments of existing lines. Such charges having been transferred to capital account, as explained in the pamphlet report for the fiscal year 1906-07, this item is omitted in the comparative statement above.—V. 85, p. 601, 405.

Union Pacific Railroad.

(Preliminary Report for the Fiscal Year ending June 30 1907.)

EARNINGS AND EXPENSES.

Table showing earnings and expenses for Union Pacific Railroad for 1906-07, 1905-06, 1904-05, and 1903-04. Includes earnings from road operation, transportation receipts, and various expenses.

* In 1906-07, 10%. In 1905-06, 8%; in 1904-05, 4½%; in 1903-04, 4%.

Company's Method of Charging Dividends Above Shown.

Table showing the company's method of charging dividends for 1906-07, 1905-06, 1904-05, and 1903-04. Includes operations, dividends, and surplus.

Income Other Than Transportation Receipts.

Table showing income other than transportation receipts for 1906-07, 1905-06, 1904-05, and 1903-04.

Net surplus. a The item "dividends on stocks owned" (\$11,563,105 in 1907) does not include dividends amounting to \$2,015,963 declared since July 1 1907, for account of the year ended June 30 1907, on the shares of the Atchison Topeka & Santa Fe, Baltimore & Ohio and the Illinois Central railroads.

Chicago Rock Island & Pacific Railway.

(Report for the Fiscal Year ending June 30 1907.)

Below are a comparative income account and various statistics from the annual report. Further data and comparative balance sheets will be given next week.

ROCK ISLAND SYSTEM—MILEAGE AND TRAFFIC STATISTICS.

Table showing mileage and traffic statistics for Rock Island System for 1906-07, 1905-06, 1904-05, and 1903-04. Includes locomotives, freight cars, and revenue.

ROCK ISLAND SYSTEM—INCOME ACCOUNT

Table showing the income account for Rock Island System for 1906-07, 1905-06, 1904-05, and 1903-04. Includes earnings from freight, passenger, and mail.

—V. 85, p. 653, 159.

St. Louis & San Francisco Railroad.

(Report for the Fiscal Year ending June 30 1907.)

Below are comparative statistics for four years which have been compiled for the "Chronicle." The report will be given at considerable length next week, including the text, comparative tables of earnings and operations, and balance sheet for two years past, &c.

OPERATIONS, EARNINGS AND EXPENSES.

Table with columns for years 1906-07, 1905-06, 1904-05, 1903-04. Rows include Miles operated, Equipment, Locomotives, Passenger equipment, Freight equipment, Company cars, etc.

INCOME ACCOUNT.

Table with columns for years 1906-07, 1905-06, 1904-05, 1903-04. Rows include Net earnings, Other income, Total net income, Deduct, Taxes, etc.

Earnings of the System, including the Chicago & Eastern Illinois.

Table with columns for Fiscal Average, Miles, Earnings, Gross, Net, Other, Fixed, Bal. for Dividends. Rows include 1906-07, 1905-06.

Chicago Great Western Railway.

(Report for Fiscal Year ended June 30 1907.)

Below are comparative results for four years: The text of the report and the principal tables of operations, &c., will be given next week.

EARNINGS, EXPENSES AND CHARGES.

Table with columns for years 1906-07, 1905-06, 1904-05, 1903-04. Rows include Miles operated June 30, Operations, Passengers carried, Freight carried, etc.

a After deducting sundry items charged off, not chargeable to income of year 1905-06, amounting to \$204,988.

GENERAL BALANCE SHEET, CAPITAL ACCOUNTS, JUNE 30.

Table with columns for years 1907, 1906, 1905, 1904. Rows include Assets (Rolling stock owned, Rolling stock in trust, Road and terminals, etc.) and Liabilities (Equip. lease warrants, Deb. stk. & sc. outstand, etc.).

Total assets... 117,875,021 114,788,116 100,285,645 84,406,300
Total liabilities... 117,875,021 114,788,116 100,285,645 84,406,300

Wabash Railroad.

(Report for Fiscal Year Ending June 30 1907.)

President F. A. Delano, Chicago, Sept. 28 1907 writes:

General Results.—The gross earnings increased \$2,417,095; the operating expenses increased \$1,427,260; and the net earnings increased \$989,835. The new equipment mentioned in the last annual report as purchased was delivered, and although in actual service for scarcely half of the last fiscal year, the beneficial results therefrom, and from the added facilities which were provided during the period covered by this report, are reflected in the increase of nearly \$2,500,000 in the gross earnings.

While the operating expenses have increased materially, due not only to the increased amount of business handled, but also to the advancing cost both of labor and material during the year, the ratio of operating expenses to gross earnings has appreciably diminished (namely from 72.17 to 71.10 %).

With the advent of the new and heavier power, and the completion of the line change on the Decatur Division, and of the arrangements hereafter explained for the joint use of some 56 miles of the track of other companies on the St. Louis-Kansas City Line, it should be possible to operate the property to still better advantage.

Adverse Legislation.—Following the lead of Ohio, the legislatures of the States of Iowa, Indiana, Illinois and Missouri have, during the year, enacted laws limiting the passenger rate to two cents per mile. While these laws have not been effective during the fiscal year, and we cannot therefore determine accurately their results, it is quite clear that they must, if remaining in force, seriously affect our passenger revenues.

Trolley Competition.—The effect of the interurban electric lines upon our passenger business is plainly indicated in the decreased number of passengers carried while the increase in the length of the average journey and the revenue per passenger show clearly that the electric lines are being used more extensively for the shorter trips, leaving to the steam railroads only the long-haul business.

The increase shown in passenger earnings for the year, small as it is, as well as the increase of 14.4 % in the gross freight receipts, reflects credit on the traffic department.

Financial Plan.—While the provision approved at the special meeting of stockholders and debenture mortgage bondholders on Oct. 22 1906, and intended to enable the company to meet the requirement for increased capital expenditures, has been carried into effect through the creation of the securities then authorized, the financial situation has since been such that the company has not been able to take advantage of the newly authorized bond issue, and to dispose of any of the new securities at a favorable price. It will, however, eventually lead to an enlargement of facilities heretofore impossible, and secure a relatively larger increase in earnings.

Vice-President and Gen. Manager Henry Miller says in part:

The following improvements have been completed: (a) new car shops at Decatur, equipped with electric power and modern facilities, capacity 25 new freight cars and one new passenger car per day. These shops are being used for repairs at present; (b) new fire-proof supply depot at Decatur to concentrate the materials of the lines east of the Mississippi River; (c) a new water reservoir, capacity 65,000 gallons, at Moberly, providing an ample supply of water where last year we were obliged to haul water by train during nine months of the year; (d) extensive additions to terminal facilities, &c., at Chicago, St. Louis, Detroit, Decatur, Kansas City, Council Bluffs and Moberly; (e) 25 miles of second track from Knights to Taylorville.

A complete change of grade and alignment, with double track and a massive concrete bridge over the Sangamon River, was begun and will be finished this fall between Decatur and Sangamon, a distance of 5 miles. Eighty miles of eighty-pound rail was laid in the main lines and the rail released used to strengthen side lines and branches; 200,000 yards of ballast was distributed, which completes the ballasting or rebalasting of all the main lines and important branches. Wooden bridges in the main lines are being replaced with concrete and steel structures as renewal become necessary. Brick and concrete fire-proof depot buildings were erected at Mexico, Maryville and Excelsior Springs.

Joint use of Tracks.—An agreement has been reached between the Chicago & Alton and the Wabash companies by which the respective lines of these companies will be operated as double track between Mexico and Clark, Mo., a distance of 26 miles; and a similar arrangement has been made with the A. T. & S. F. Ry. Co., between Carrollton and Camden, Mo., a distance of 30 miles; these, added to the double track arrangement with the Burlington, now in operation between Birmingham and Harlem, Mo., provide a total of 66 miles of double track between St. Louis and Kansas City, by building necessary cross-overs and interlocking the junctions with these roads, a comparatively small investment.

July 1st the division point was moved from Ashley to Montpelier on the Detroit-Chicago line, thus doing away with one of two terminals which were located within twenty-four miles of each other.

New Steel Rail Laid and Miscellaneous Work. (Wabash Proper.)

Table with columns for years 1906-07, 1905-06, 1904-05. Rows include No. tons 80-lb. new rail, Miles new steel rail laid, Number cross-ties put in main track, etc.

Additions and Improvements aggregating \$422,812 Included in Operating Expenses.

Table with columns for items and amounts. Rows include New second track, Yard, Decatur, Terminals, Randolph, Filling & renewing bridges, Crossings, signals, &c., Ballasting, Stations & oth. buildings, Water and fuel stations, Subway, Detroit, Miscellaneous.

Extraordinary Repairs and Renewals Aggregating \$804,879 Included in Operating Expenses.

Table listing various repair and renewal items such as 'New equipment: 55 cars for passenger service', 'flat cars: 500 box cars and 350 furniture cars', 'Pullman sleepers destroyed in wreck at Catlin, Ill.', etc.

The total of additions and improvements and extraordinary repairs and renewals included in operating expenses was \$1,227,691. This compares with an expenditure of \$2,169,277 in 1905 and \$1,785,451 in 1906.

OPERATIONS, EARNINGS, & C.

Table showing financial data for 1906-07, 1905-06, 1904-05, and 1903-04. Includes categories like Road operated June 30, Equipment, Locomotives, Passenger equipment, Freight equipment, Operations, Pass. carried, Rate per pass, Freight (tons) carried, Freight (tons) car, Rev. train load, Earn. per pass, Gross earnings, Earnings, Passenger, Freight, Mail, express, &c, Total, Expenses, P. c. oper. exp. to earn, Net earnings.

b Three ciphers (000) omitted. a Revenue freight only.

INCOME ACCOUNT.

Table showing income account data for 1906-07, 1905-06, 1904-05, and 1903-04. Includes Net earnings, Invest'ns, rentals, &c, Total, Deduct, Taxes, Track & bridge rentals, Additions and miscell., Approp. new equipment, Total, Applicable to interest, Interest on bonds.

Table showing balance and dividend information. Includes Balance, Div. on deb. bds. ser. A (6%) 210,000, Div. on deb. bds. ser. B (1%) 265,000, Balance, Sur. 509,333, df. 1,459,372, sur. 119,291, (3%) 105,000, Balance, sur. 461,665, sur. 509,333, df. 1,459,372, sur. 14,291.

PROFIT AND LOSS ACCOUNT

Table showing profit and loss account for year ending June 30 1907. Includes Legal expenses Compton & Adelbert College cases, Discount and Commission, Interest on First Ref. and Extensions gold bonds, Miscellaneous bills written off, Bal. to credit of prof. and loss June 30 1907.

z Amounts charged against Income Account March to June 1907 transferred to Profit and Loss on account of company being reimbursed by issue of Refunding and Extensions gold bonds.

BALANCE SHEET JUNE 30.

Table showing balance sheet for June 30, 1907, 1906, and 1905. Includes Assets (Road and equipment, Supplies and materials, Cash on hand, Stocks and bonds, Accounts collectible, Loans and bills receivable, Advances and miscellaneous, Cost of equip. in suspense, Debit profit and loss) and Liabilities (Common stock, Preferred stock, Bonds, Interest, Vouchers and pay-rolls, Individuals and railroads, Taxes accrued, Hospital account, Notes payable, Equipment notes, Sale of debenture bonds, Unexpended appropriations, Miscellaneous, Credit profit and loss).

x In previous years the item "Cost of equip. in suspense" was included in "miscellaneous."—V. 85, p. 723, 285.

Maine Central R.R.

(Report for Fiscal Year ending June 30 1907.)

President Lucius Tuttle, under date of Portland, Me., Sept. 17, says in substance:

General Results.—The increase in receipts from all sources was \$552,191, indicating continued prosperity throughout the territory served. Of this increase \$178,259 came through the passenger department, \$369,716 from freight and \$7,215 from miscellaneous sources. The pay-rolls amounted to \$3,286,422, being an increase of \$511,322.

Important Items Included in Operating Expenses.—During the year 11,723 tons (82.7 miles) of new steel rails have been laid in main tracks and 6,695 tons (60.9 miles) of relay rails in branches and sidetracks; 352,013 ties have been laid, 70.7 miles of track have been raised and thoroughly re-ballasted; 5.1 miles of sidings have been added; 33 miles of fence have been built, and

there has been considerable reconstruction in replacing old bridges with heavier structures of steel.

The larger items for maintenance and renewals included in the year's operating expenses are: Repairs of roadbed and track \$634,732; raising and ballasting track, \$53,234; renewals of rails, \$67,168; tie lag, \$24,305; fencing location, \$15,706; repairs and renewals of bridges, \$36,367; repairs and renewals of buildings and structures, \$113,183; repairs of locomotives, \$311,023; repairs of passenger, baggage, mail and express cars, \$102,232; repairs of freight cars, \$229,644; repairs of marine equipment, \$32,336; and for new equipment, \$514,643.

New Equipment.—The following additions to equipment have been made: 19 locomotives, 2 baggage and mail cars, 2 dining cars, 1,080 freight cars and 16 service cars. Seven old and useless locomotives, 195 freight cars and 38 service cars have been destroyed or sold.

Additions and Betterments.—The new schedule of accounts provided by the Inter-State Commerce Commission, in effect July 1 1907, provides that all additions and betterments to property shall be excluded from ordinary operating expenses and separately reported. Our report for the past year has therefore been made up on the revised basis, and the amounts expended from income for additions and betterments, aggregating \$724,306, are herewith tabulated:

Table showing additions and betterments: New equipment \$468,895; 2d track, East N'port to Etna \$44,869; New automatic block signals 59,168; New rails laid, increased w't. 25,630; New side tracks 56,726; Water station, Brunswick 9,463; Extension of shops 48,679; New stations, &c. 10,876.

Purchase of Control of Somerset Ry. Co.—Your directors have thought it wise to secure control of the property and franchises of the Somerset Ry. Co., extending from Oakland, Me., to Moosehead Lake, 90.59 miles. Accordingly a large majority, but not the entire, outstanding capital stock was purchased in March 1907 at a cost of \$617,500. The company has not been merged or absorbed by the Maine Central RR. Co., but is operated separately for the benefit of its owners under the control of a board of directors elected by its stockholders. Active measures have been taken to properly complete and equip the property, and with the development of its passenger and freight traffic it is believed that, in the not distant future, it will become not only self-supporting, but increasingly valuable as a feeder.

Lease of the Portland & Rumford Falls Properties.—In order to further strengthen our position, it has been deemed of advantage to acquire control of the Portland & Rumford Falls properties, extending from Rumford Junction, near Auburn, Me., to Rumford Falls and Livermore, where there are extensive manufacturing industries, and from Rumford Falls to the Rangeley Lake region. The control of the property has been acquired by a lease running 999 years, by which you are obligated to pay \$328,000 per annum in quarterly payments, control having been effected on May 1 1907. A copy of the lease of these properties is appended to the (pamphlet) report.

By the lease of these properties your company secures control of the franchises of the Indian River Railway Co., a corporation organized to build a line of railway from the State of Maine line through the Province of Quebec to Megantic, where connection may be made with both the Quebec Central Ry. and the Canadian Pacific Ry.

It also secures possession of valuable terminal property and other privileges at and near Portland, Me. These properties are more than self-supporting, and with the development of the water-powers and industries along the Androscoggin River, will, in all probability, continue to increase in value in the future.

Fixed Charges.—There has been no change during the year in interest charges on funded debt. There has been an increase in rent of leased roads amounting to \$54,667, which represents the rental of the Portland & Rumford Falls properties from May 1 1907.

Taxes.—State and local taxes accrued during the year to the amount of \$310,075, an increase over the previous year of \$37,255.

Contingent Fund.—There has been added to the contingent fund the year's surplus, amounting to \$161,094, and with other additions this fund now amounts to \$735,625, as shown in the general balance sheet.

OPERATIONS, EARNINGS AND EXPENSES.

Table showing operations, earnings and expenses for 1906-07, 1905-06, 1904-05, and 1903-04. Includes Miles operated June 30, Operations (No. tons carried, Rev. train load, Av. rate per ton per mile, Total passengers carried, Passengers per train mile, Av. rate p. pass. p. mile), Earnings from (Passengers, Freight, Express and mails), Total, Operating Expenses (Office and property, Gen. exp. of transp'n, Pass. transp'n exp., Freight transp'n exp., Motive power expenses, Maintenance of cars, Maint. of way & struc's, New equipment, Taxes), Total, Net earnings, Other income.

Table showing operating expenses and deductions for 1906-07, 1905-06, 1904-05, and 1903-04. Includes Office and property, Gen. exp. of transp'n, Pass. transp'n exp., Freight transp'n exp., Motive power expenses, Maintenance of cars, Maint. of way & struc's, New equipment, Taxes, Total, Deduct (Interest, Rents, New Bangor station, Note charged off, Dividends 7%, Additions, &c. (see remarks), Sinking fund), Total, Surplus.

Extraordinary Expenditures included with Operating Expenses: Operating expenses in 1906-07 include \$514,643 for new equipment, \$724,306 (see remarks above) having been also charged to income for additions and betterments, making a total of \$1,238,949 for extraordinary expenditures charged to income in 1906-07; in 1905-06, \$1,262,581 extraordinary items were included in operating expenses, of which \$828,027 for equipment; in 1904-05, extraordinary items charged to income aggregated \$541,764, of which \$191,764 was included in operating expenses for new equipment, remaining \$350,000 being for new Bangor station, &c.

b In 1905-06 \$100,000 was paid on account of new Bangor station, but charged against operating expenses.

GENERAL BALANCE SHEET JUNE 30.

Table showing general balance sheet for June 30, 1907, 1906, and 1905. Includes Assets (Construction and equipment, Stocks and bonds, Cash, Notes receivable, Materials and supplies, Agents and conductors, Traffic balances, Companies and individuals, Sinking funds, Other items) and Liabilities (Stock (Ry. & Ind. section), Bonds (Ry. & Ind. section), Current liabilities, Notes payable, Aud. vouch., &c., Int., rents, taxes, &c., not due, Sundry lease acct., Injury fund, Sinking funds, Equipment acct., Improv'm't acct., Other accounts, Profit and loss).

Total 21,809,659 21,685,545 21,809,659 21,685,545 —V. 85, p. 718.

Minneapolis St. Paul & Sault Ste. Marie Ry.
(Report for Fiscal Year ending June 30 1907.)

The report, signed by President Thomas Lowry and Vice-President E. Pennington, says:

General Results.—The gross earnings increased \$1,317,617, or 11.4%. The operating expenses were 57.6%, as compared with 50% the previous year, and the fixed charges increased \$327,628, or 13%. This resulted in a decrease of \$331,372 in net and \$659,000 in surplus earnings for the year. The increase in operating expenses was due to increased cost of labor, and of almost every class of material and supplies required in railroad operations and to the fact that throughout Minnesota and Dakota, from November until April, there were unusually heavy snow-falls, which at times made the movement of freight and passengers almost impossible. These conditions, coupled with a general car shortage, also kept the earnings much below what they would have been under normal conditions.

The movement of grain traffic for Duluth became much congested by the inability of connecting lines to handle the business promptly and was a further serious limitation to favorable results. The company is building a line from Brooten, Minn., to Duluth, about one-half of which will be in operation this year; it will be completed in 1908.

New Stock.—The rapid growth of the company's business during the past three or four years has required large additions to its equipment and to its terminal facilities at Minneapolis, St. Paul and other principal points. The funds for these expenditures, to the extent of \$2,700,000, have been advanced, as required, from time to time, from surplus earnings. In order to replace these advances and to provide funds for similar and other purposes, the stockholders, at the annual meeting Sept. 17 will be asked to authorize an amendment to the articles of incorporation so as to increase the authorized capital from \$21,000,000 to \$42,000,000, one-third of which will be preferred and two-thirds common stock. It is the intention to issue only so much of this stock as may be necessary to take care of present and future requirements, probably not to exceed \$4,200,000, which, before being sold, will be offered to the stockholders at par. (See V. 85, p. 793.)

Outlook.—The company's roadway buildings and equipment have been maintained in first-class condition. There is every prospect of a bountiful harvest throughout the Northwest, so that a heavy movement of traffic during the coming year seems to be assured.

Fund for Additions and Betterments.—There was appropriated for this fund from the surplus of the year 1906-07 \$800,000, making the total amount available \$1,270,011, of which there was expended \$1,017,811, the leading items being: Right of way, \$23,387; side tracks, \$36,877; buildings, \$59,994; fuel and water stations, \$36,012; shops, engine houses, &c., \$38,494; grade reduction, \$536,947; filling bridges, \$17,404; widening and ballasting, \$125,322; bridges and culverts, \$63,299. Difference between 60-lb. and 80-lb. rails re-laid, \$59,864. (This paragraph is a digest of a table in the report.—Ed.)

Table with 2 columns: Expenditures aggregating \$6,616,818 Charged to Capital Account. Items include Preliminary surveys, Winnepig line, Thief River Falls line, Egeland line, Flaxton extension, Garrison extension, etc.

OPERATIONS AND FISCAL RESULTS.

Large table with 5 columns showing financial data for years 1906-07, 1905-06, 1904-05, and 1903-04. Includes sections for Average mileage, Operations, Earnings, Expenses, and Total earnings.

CONDENSED GENERAL BALANCE SHEET JUNE 30.

Table with 4 columns showing assets and liabilities for 1907 and 1906. Assets include Road, equipment, Real estate, Stocks and bonds, etc. Liabilities include Common stock, Preferred stock, etc.

Total \$6,508,125 79,764,322

Chicago Union Traction Co.
(Balance Sheet of May 31 1907.)

Officials of the company, it is stated, report the net income of the system for the nine months ending May 31 as \$756,061, not including the Consolidated Traction Co. The three months, however, from June 1 to Aug. 31, are usually the most profitable of the year. The estimated gross income from the Consolidated Traction for the year ended Aug. 31 1907 is given as \$1,400,000. The estimated gross of the Union Traction system for the year is \$11,000,000.

BALANCE SHEET MAY 31 OF UNION TRACTION SYSTEM.

Table with 4 columns showing assets and liabilities for 1907 and 1906. Assets include Liabilities Chicago, Union Trac. Co., Liabilities No. Chicago St. RR. Co., etc. Liabilities include Assets, Ch. U. T. Co., Car trust certs., etc.

Total 13,428,331 11,198,869

Brooklyn Rapid Transit Company.

(Report for Fiscal Year ended June 30 1907.)

The remarks of President Winter will be found on subsequent pages.

A comparative statement of the Brooklyn Rapid Transit system for the years ending June 30 is as follows:

CONSOLIDATED INCOME ACCOUNT.

Table with 5 columns showing income account for years 1906-07, 1905-06, 1904-05, and 1903-04. Includes Receipts (Passengers, Freight, etc.) and Expenses (Maint. of way, Operating power, etc.).

CONSOLIDATED BALANCE SHEET JUNE 30.

Table with 4 columns showing assets and liabilities for 1907, 1906, and 1905. Assets include Cost of road, Advances for construction, Brooklyn City RR. Co., etc. Liabilities include Capital stock, Bonds, etc.

Total assets 139,732,015 130,213,891 121,889,876

Total liabilities 139,732,015 130,213,891 121,889,876

To be reimbursed by issuance of B. R. T. 1st gold ref. mort. 4% bonds upon deposit with Central Trust Co. of certs. of indebtedness to cover. Note.—The certificates of indebtedness issued by constituent companies, aggregating \$25,677,268 29, against which B. R. T. bonds have been issued, do not appear separately on this consolidated balance sheet, as the property purchased appears as an asset under the head of "Cost of Road and Equipment," and "Advances Account Construction for Leased Companies," and the liability is represented by the bonds of the Brooklyn Rapid Transit Company, issued from time to time as such certificates of indebtedness are acquired and deposited with the Central Trust Co., trustee.—V. 85, p. 862, 404.

Western Union Telegraph Company.

(Report for Fiscal Year ending June 30 1907.)

President Robert C. Clowry says: Bonds.—During the year there was issued \$7,200,000 of the \$25,000,000 4% convertible redeemable bonds due Nov. 1 1936, authorized by the stockholders Nov. 23 1906 (V. 83, p. 629, 1361).

RR. and the Chicago street railway system, and terminating in the central business district of Milwaukee, with a branch line from Lake Bluff to Rockefeller. Mileage, 186 miles of main track.

The line is expected to be opened into Milwaukee on or about Nov. 15.—V. 84, p. 1109.

Chicago Terminal Transfer Co.—Settlement With Minority Stockholders.—The announcement of a settlement being reached with the minority stockholders' committee (V. 85, p. 863, 722), under which the outstanding litigation against the Baltimore & Ohio will be dismissed, is stated to be premature, the arrangement awaiting the return of President Murray of the B. & O. on or about the 20th inst.

Chicago papers say that the Chicago Burlington & Quincy will use the station, abandoning the Union Station, which affords insufficient space; that the Chicago Great Western contract, which antedates the mortgage, will not be affected by any change in ownership; but the Pere Marquette will be asked to seek other quarters.—V. 85, p. 863, 722.

Cincinnati Bluffton & Chicago Ry.—Earnings.—The following statement has been received from W. J. Hayes & Co., Cleveland, &c., who purchased a block of the bonds:

According to the reports made to the Inter-State Commerce Commission and ourselves, the surplus earnings for the first eight months of the year 1907, after paying interest on indebtedness, amounted to \$6,999, which, of course, is a very creditable showing.

Perhaps the greatest strategic value of this property will be the short cut-off which it will afford the Erie RR. on its traffic between Chicago and Cincinnati, reducing the distance 97 miles as compared with the present route via Marion, Ohio.—V. 84, p. 1182.

Cincinnati Hamilton & Dayton Ry.—Abrogation of Lease.—At the annual meeting on Tuesday the agreement abrogating the lease of the Pere Marquette, and providing for the settlement by arbitration of all claims whatsoever between the two said corporations, was ratified. The meeting was adjourned to Oct. 29. Compare Pere Marquette RR. plan in V. 85, p. 41, 100, 222, 469.

Report.—For fiscal years ending June 30:

Fiscal Year.	Gross Earnings.	Net Earnings.	Other Income.	Taxes.	Interest.	Deductions.	Rentals.	Balance.	Deficit.
1906-07.	\$8,946,934	\$2,164,809	\$101,924	\$279,457	\$2,481,961	\$366,669	\$861,354		
1905-06.	8,398,418	1,979,277	120,735	492,294	2,366,681	388,669	1,147,630		

Per cent of expenses to earnings, 75.80%; decrease, 0.63%. Per cent of taxes and expenses to earnings, 79.92%; decrease, 3.37%.—V. 85, p. 653.

Coal & Coke Ry.—New Stock.—The company has increased its capital stock from \$10,000,000 to \$20,000,000, the new stock to consist of 100,000 shares of 5% preferred stock. A press dispatch from Charleston, W. Va., says:

The company has a bonded indebtedness of \$9,300,000 and a floating debt of \$1,300,000, and it is desired to reduce the bonded debt contracted in 1903 to \$5,000,000.—V. 83, p. 1469.

Concord & Montreal RR.—New Stock.—The shareholders on Oct. 8 ratified the proposition to issue \$160,000 new stock for the purposes stated in V. 85, p. 864.

Conneaut & Erie Traction Co.—Protective Committee.—In view of the receivership, the following committee has been organized in the interest of the refunding mortgage bonds: Charles B. Van Nostrand, Evans R. Dick and George S. Graham.—V. 85, p. 599.

Connecticut Railway & Lighting Co.—Listed.—The New York Stock Exchange has listed \$1,578,000 additional first and refunding mortgage 4½% 50-year bonds, due 1951, "stamped guaranteed," making the total amount listed to date \$12,491,000; also \$8,142,900 preferred and \$8,977,200 common stock.

The \$1,578,000 additional bonds represent: Derby St. Ry. 6s exchanged, \$16,000; purchase of Cheshire Street Ry., between Waterbury and Cheshire and between Cheshire and Milldale, including about 10 miles of private right of way, rolling stock, &c.; new rolling stock and sundry improvements and additions, \$844,000. The limit of issue is \$15,000,000, of which \$1,534,300 is reserved for additions, extensions and betterments, and \$974,700 to retire underlying bonds, viz.: Bridgeport Traction 5s due 1923, \$706,000; Derby St. Ry. 6s, \$59,700; Conn. Ltg. & Power 5s due Jan. 1 1939, \$209,000. Of the total, \$12,491,000, outstanding 4½s, all except \$1,809,000 have been stamped "guaranteed." (V. 79, p. 626, 2747; V. 81, p. 264.) Of the preferred stock just listed, \$560,956 was issued Aug. 16 1907 in satisfaction of the unpaid accumulated dividends to Aug. 1 1906 (this rate, 4% per annum, being accepted in full settlement for the 5% accrued); an additional \$1,559,144 preferred was issued Aug. 16 1907 in payment for the Naugatuck Valley El. Ry. (line completed July 1907), and in payment for other assets, &c.—V. 84, p. 1366.

Council City & Solomon River RR.—Receivership.—Vice-Chancellor Howell at Newark, N. J., on Oct. 11 placed this New Jersey corporation in the hands of Jerome D. Gedney as receiver, on the ground of insolvency, upon application made by President P. V. R. Van Wyck under authority from the entire board of directors. Motion to issue \$50,000 receiver's certificates returnable Oct. 18.—V. 76, p. 479; V. 77, p. 1746.

Cuba RR.—Report.—For the year ending June 30:

Year—	Gross.	Oper. exp. & taxes.	Net.	Bond Int.	Bal. sur.
1906-07	\$1,953,309	\$1,294,955	\$658,354	\$325,930	\$332,424
1905-06	1,619,082	1,056,556	562,526	274,665	287,861
1904-05	1,029,258	733,635	295,623	258,175	37,448

Delaware & Eastern Ry.—New Directors.—J. L. Greatsinger and J. W. Griggs have been added to the board, the membership of which has been increased from 12 to 14. Compare V. 85, p. 40.

Denver & Rio Grande RR.—See Rio Grande Western Ry. below.—V. 85, p. 864, 665.

Evansville & Terre Haute RR.—Report.—For fiscal year ending June 30 1906:

Fiscal Year.	Gross Earnings.	Net Earnings.	Other Inc.	Taxes & Charges.	Improv'ts.	Prof. Dues.	Balance.	Surplus.
1906-7	\$2,267,215	\$1,123,606	\$25,514	\$683,899		\$64,167	\$401,053	
1905-6	2,163,681	1,052,263	24,612	642,565	42,921	64,167	327,222	

The dividend of 4% yearly on the \$3,987,383 common stock calls for \$159,495. See V. 85, p. 599.

Florida East Coast Ry.—New Line.—Vice-President and General Manager J. R. Parrott states that work heretofore in progress along the entire Key West extension, has re-

cently been concentrated on the section north of Knights Key for the purpose of having the line completed to that point and boats running thence to Cuba by the middle of January. There is no intention, he says, of abandoning the Key West extension.—V. 85, p. 405, 220.

Great Northern Ry.—Extra Dividend.—It was announced on Monday that the Lake Superior Company, an auxiliary of the Great Northern Ry. (compare V. 71, p. 700, and V. 72, p. 872), will on Nov. 1 pay to the shareholders of the latter company a dividend equal to 1½% of their holdings. The last previous dividend received by the Great Northern shareholders from the surplus earnings of the Lake Superior Co. was ½ of 1%, paid on May 1 1901 (see editorial in V. 83, p. 1263). The ore lands held by the Lake Superior Co. were, under plan announced last fall, transferred to trustees for the benefit of the holders of Great Northern ore trust certificates. The Lake Superior Co., however, still holds coal lands, express stocks and other investments. The official announcement says:

The Lake Superior Co. will on Nov. 1 1907 pay to the stockholders of the Great Northern Railway Co. of record Oct. 15 1907 a dividend equal to 1½% of their holdings of Great Northern stock. This dividend will be paid coincidentally with the regular dividend of 1½%, payable Nov. 1 1907, to the preferred stocks of the Great Northern Ry.

Report.—See "Annual Reports" on a preceding page.—V. 85, p. 793, 600.

Gulf Line Ry.—Bonds.—This company, operating between Hawkinsville and Bridgeboro, Ga., 77 miles (including 14 miles leased with option of purchase), has applied to the Georgia Railroad Commission for authority to issue \$325,000 5% first mortgage bonds. Compare V. 84, p. 1247.—V. 85, p. 221, 600.

Maine Central RR.—Dividend Increased.—This company, of whose \$4,918,000 stock \$2,516,000 is owned by the Boston & Maine RR., paid on Oct. 1 a quarterly dividend of 2%, contrasting with 1¾% each three months since Oct. 1903 and 1½% quarterly from 1884 to July 1903.—V. 85, p. 718.

Metropolitan Street Ry., New York.—Application of Income.—See New York City Ry. below.

Receivership Extended to Include All Property under Refunding Mortgages.—Judge Lacombe on Wednesday, on application of the Morton Trust Co., trustee of the refunding mortgage, ordered that the receivership previously granted on application of floating debt holders be extended to the property covered by such mortgage, and that the rents and profits of the mortgaged property be sequestered in order that the interest of the bondholders may be protected. It is believed that this will effectually block the efforts to assume control under the State courts.—V. 85, p. 864, 793.

Mexican Central Ry.—Merger Awaits a Favorable Money Market.—In his recent message to the National Congress of Mexico, President Diaz said:

The unpropitious condition of the foreign markets is the reason that arrangements for the merger of the National RR. of Mexico and the Mexican Central Ry. have not been consummated. A decree was issued on July 6 last, laying down the lines along which the Mexican company that will take over the two properties in question is to be incorporated; but in view of the circumstances, it does not seem wise to go on as yet with the incorporation or with the financial operations to which it must give rise.

Income Bondholders Seek Modification of Plan.—A committee consisting of Vice-President Baumann of the Commercial Trust Co., W. H. Brown (with Simon Borg & Co.) and George Reuter, all of New York, and Messrs. Levy and Morten (of London), which represents holders of consolidated income bonds that object to the proposition to exchange those bonds for stock of the merger company, has presented a substitute plan to the Finance Department of Mexico, through Ambassador Senor Creel. Their counsel Edward L. Andrews has prepared a statement to show the claims of the issue for better treatment.

Contracts Extended.—The "New York Times" of Oct. 2 said: Contracts of purchase for large blocks of Mexican Central stock at 27, made by H. Clay Pierce, which ran until yesterday, have been extended until Jan. 1 next, it was learned yesterday, owing, it is understood, to the fact that the merger has been allowed to go over until more favorable conditions prevail in the money market.—V. 85, p. 864, 793.

National RR. of Mexico.—Merger Temporarily Delayed.—See Mexican Central Ry. above.—V. 85, p. 793, 722.

Newton (Mass.) Street Ry.—Merger Approved.—The Massachusetts Railroad Commission has authorized the company to issue \$100,000 additional capital stock for exchange, share for share, for the stock of the Waltham Street Ry., in order to merge the properties, both of which are controlled by the Boston Suburban Electric Companies.—V. 78, p. 2599.

New York City Railway.—Receivership Made Permanent—Instructions as to Payment of Rentals, &c.—Judge Lacombe of the United States Circuit Court on Tuesday granted an order making permanent the receivership. In so doing, he disposed of the objections raised by certain minority shareholders and judgment creditors. While it is manifest that the complainants and defendant in the suit are entirely in accord, and together arranged the suit, there is, he says, "no collusion apparent in any legal sense," nor any misrepresentation or distortion of facts to mislead the Court.

As to the income from operations, the Judge orders that it shall be applied as follows:

In the matter of improvements the receivers are fortunately relieved, at least in part, from the burden of devising improvements in the system by the existence of the Public Service Commission.

The receipts from car service will be devoted first to maintenance, including all necessary repairs and replacements. Next in order are certain fixed charges in the nature of rentals and interest falling due on various mortgage bonds of such roads which by the terms of the leases the New York City Railway Co. has covenanted to pay. It would seem to be to the public interest, because of facility of transfer, that the roads which were being

run by the City Railway when receivers were appointed should be operated as a unit. For the present, therefore, the receivers will continue to pay such rentals and mortgage interest.

This will not include the rental to the *Third Avenue RR.* which will fall due the last of this month. A clause in the lease by that road provides that default in the payment of any installment of that rental cannot be availed of for six months. Long before that time sufficient information can be gathered (and made public) by the receivers to give such enlightenment as to the whole situation as will enable the Court to deal understandingly with all questions as to payment of all these items of rent and mortgage interest.

Before default is made in any case (except the one above referred to and the rental due Oct. 15 to the *Metropolitan Street Ry.*), petition will be filed setting forth all the facts bearing on the question and asking instructions, and a day will be fixed on which not only the parties to the suit, but all in any way interested (including the Public Service Commission) will be heard as to the most equitable and wisest course to pursue.

Until further order, the receivers will also, if the other parties to such arrangements consent, carry out the arrangements by which the New York City Railway Co. operates certain railroads not under lease, such as the *Dry Dock East Broadway & Battery RR.* and the *Union Ry.*

The receivers are directed to employ an accountant of high standing and an expert engineer to aid in preparing an exhaustive report as to the liabilities and assets, condition of the property and cost of operation.—V. 85, p. 793, 100.

New York New Haven & Hartford RR.—Extension of Electric Service.—The company on Oct. 5 placed in partial operation its electric service between New York and Stamford. This service, now embracing six local trains daily, will be gradually extended to include all passenger trains, both local and express.—V. 85, p. 858.

New York Susquehanna & Western RR.—Report.—The results for the years ending June 30 were:

Fiscal Year—	Gross earnings.	Net earnings.	Other income.	Fixed charges.	Balance, surplus.
1906-07	\$3,123,159	\$844,675	\$33,109	\$874,545	\$3,239
1905-06	2,757,926	828,675	43,055	896,062	def. 24,333

—V. 83, p. 272.

Norfolk & Southern Ry.—New Securities.—The shareholders will vote Oct. 23 on the following propositions, embracing the making of new issues of bonds, equipment trusts and collateral trust notes, namely:

1. To create an issue of "first and refunding mortgage" 5% sinking fund gold bonds limited to the aggregate principal amount of \$25,000,000, and to deliver to the Trust Company of America, as trustee, a mortgage on the railroad and property, real, personal and mixed, together with all rights and franchises as specified in the mortgage, subject to existing liens.
2. A proposition relating to the sale of certain of the shares of preferred and common capital stock of the company and certain of the "first and refunding mortgage", sinking fund gold bonds of the company.
3. To enter into an equipment trust agreement or equipment trust mortgage to secure an issue of equipment trust bonds, and to make and enter into a collateral trust agreement to secure an issue of collateral trust notes.—V. 84, p. 159.

Northern Pacific Ry.—Report.—See "Annual Reports" on a preceding page.

New Director.—Arthur C. James has been elected a director, succeeding his father, D. Willis James, deceased.—V. 85, p. 601, 405.

Northern Ry. of Maine.—To Connect Northern Termini of Bangor & Aroostook RR.—This company was incorporated in Maine on Sept. 23 with \$500,000 capital stock, in shares of \$100 each, to build about 61 miles of road connecting the three northern termini, Van Buren, Fort Kent and St. Francis, of the Bangor & Aroostook RR. system. See map on page 19 of "Railway & Industrial Section." The directors are:

Patrick Theriault of Grand Isle, Vincent M. Theriault of Fort Kent, Mathew S. Goodrich, Edson E. Goodrich (Treasurer) and Arthur H. Lewis (President) of Waterville.

Oklahoma City Ry.—New Name, &c.—This company filed on Sept. 23 amended articles of incorporation, changing its name to the Oklahoma Ry. Co., increasing its capital stock from \$1,000,000 to \$3,000,000 and enlarging its scope of operations to include Guthrie, Norman, Yukon, Okla., and Spencer or Choctaw City. The directors are:

Anton H. Classen, John W. Shartel, George H. Brauer, Henry M. Brauer, Charles W. Ford, Edward H. Cooke and J. M. Owen, all of Oklahoma City.

The company operates 30 miles of track in Oklahoma City and suburbs and an extension is under construction to Guthrie, where the local street railway is controlled by the same interests, the plan being to merge the properties and make a new mortgage.—V. 79, p. 213.

Oklahoma Railway.—New Name, &c.—See Oklahoma City Ry. above.

Opelousas Gulf & Northeastern RR.—New Line Opened.—The first passenger train over this company's new line from Melville to Crowley, La., 60 miles, was run on Oct. 2.—V. 83, p. 688; V. 82, p. 987.

Pacific Traction Co., Tacoma, Wash.—Bond Issue.—This company, which was recently incorporated under the laws of Maine and acquired certain franchises and street railways in Tacoma, and intends to acquire other franchises and to construct other street railways in Tacoma and Olympia and a connecting line between those cities, has made a first mortgage to the Bankers' Trust Co. of New York, as trustee, to secure an issue of \$2,000,000 5% 20-year gold bonds dated July 1 1907 and due July 1 1927. William H. Smith is President and Frank W. Holmes Secretary. Compare V. 85, p. 346, 654, 723.

Portland & Rumford Falls RR.—Lease.—See report of Maine Central RR. under "Annual Reports" on a preceding page and compare V. 84, p. 932.

Rio Grande Western Ry.—Listed.—The New York Stock Exchange has listed \$638,000 additional mortgage and collateral trust 4% 50-year bonds, sub-series A of 1949, making the total listed to date \$13,974,000.

Earnings.—For year ending June 30 1907.

Gross earnings	\$7,657,188	Divs. on com. stock (5%)	\$500,000
Net earnings	3,021,886	Divs. on pref. stock (5%)	375,000
Other income	52,160	Appropri'n for betterments	104,218
Net income	3,074,046	Appropri'n for new equip't.	412,500
Deduct—			
Interest on funded debt	\$1,165,941	Total deductions	\$2,866,182
Taxes, insur. and rentals	308,523	Balance, surplus	\$207,864
Leased lines	308,523		
—V. 85, p. 473.			

St. Louis & San Francisco RR.—Report.—See "Annual Reports" on a preceding page.

Offering of Guaranteed Equipment Notes.—Francis Bros. & Co., St. Louis, are offering at prices to yield the investor 6%, \$340,000 of an authorized issue of \$359,000 5% equipment coupon notes dated March 1 1907, guaranteed by American Car & Foundry Co. by endorsement on each note, as were the \$3,300,000 dated Jan. 1 1907 (V. 84, p. 391) and the \$5,047,000 dated Aug. 1 1907 (V. 84, p. 1429). A circular says:

Interest payable March 1 and Sept. 1 at St. Louis Union Trust Co. (trustee), St. Louis, or at office or agency of railroad company, New York City. Principal due \$19,000 March 1 1908, \$18,000 semi-annually from Sept. 1 1908 to Sept. 1 1915 inclusive, \$17,000 semi-annually March 1 1916 to March 1 1917 inclusive. The company has purchased from the American Car & Foundry Co. 250 40-ton capacity wooden underframe side-dump gondola cars, and 150 40-ton capacity wooden underframe Rodgers Ballast Car Co. Standard Hart convertible cars, upon which they have made a payment of 12% in cash, and executed the above notes for the remainder. The first maturity, \$19,000, due Sept. 1 1907, has been paid, making a total cash payment to date of about 17% on the purchase price. The American Car & Foundry Co. guarantee the payment of these notes by endorsement on each note.—V. 85, p. 531, 470.

Somerset Railway of Maine.—Change in Control.—See report of Maine Central RR. under "Annual Reports" on a preceding page and compare V. 84, p. 1183, 804.

Texas Central RR.—Report.—The results for the year ending June 30 were:

Fiscal Year—	Gross earnings.	Net over taxes.	Other income.	Fixed charges.	Dividends.	Balance, surplus.
1906-07	\$1,244,106	\$489,627	\$252	\$31,000	\$198,690	\$260,190
1905-06	945,241	370,920	14,525	40,128	198,690	146,627

From balance as above in 1907 there was appropriated \$255,734 for new equipment and improvements, leaving a surplus for the year of \$4,456.—V. 84, p. 1489.

Third Avenue RR., New York.—Rental to Be Withheld Pending Determination of Traction Situation.—See New York City Ry. above.—V. 85, p. 865, 532.

Union Pacific RR.—Report.—See "Annual Reports" on a preceding page.

Listing.—The New York Stock Exchange has listed \$73,762,000 twenty-year 4% convertible bonds due 1927, and the committee on Stock List is empowered to list from time to time, but prior to July 1 1908, \$1,238,000 additional bonds when sold, making the total amount authorized to be listed \$75,000,000.

New Director.—Comptroller William Mahl has been elected a director to take the place of the late David Willcox.—V. 85, p. 865, 655.

Waltham Street Ry.—Merger.—See Newton Street Ry. above.—V. 81, p. 1850.

Washington Frederick & Gettysburg Ry.—Bonds.—Secretary Charles C. Waters, Frederick, Md., announces that bids will be received for \$150,000 first mortgage 5% gold bonds until noon Oct. 15. If sold as one block, a bonus of 33 1-3% in stock will be given. Compare V. 85, p. 601, 723.

Wichita Falls & Northwestern Ry.—Bonds Sanctioned.—The Texas Railroad Commission on Sept. 30 approved the proposition to issue \$248,000 5% mortgage bonds of \$1,000 each, dated July 1 1907 and due July 1 1937, interest payable semi-annually. A press dispatch from Austin says:

The railway is completed and in operation from Wichita Falls to the Red River, 16.97 miles. A report to the Commission shows the property to be worth \$255,569 and that the company proposes purchasing additional rolling stock and equipment amounting to \$12,500. The Commission thinks the company reasonably entitled to the issuance of capital stock for \$20,000 and mortgage bonds for \$248,000.—V. 85, p. 602.

Wilmington New Castle & Southern Ry.—Foreclosure.—A press dispatch from Dover, Del., on Sept. 30 said:

Chancellor Nicholson to-day granted counsel for the receivers of the Wilmington & New Castle trolley company the right to file an amended answer in the foreclosure proceedings instituted against the company on a mortgage of \$150,000 (securing bonds) held by E. C. Jones of New York City. (The Wilmington New Castle & Southern Ry. upon organization in 1904 made a mortgage for \$650,000, of which \$300,000 was to be used only to retire the bonds of constituent companies, viz.: Wilmington & New Castle Ry. 1st M. 5s of 1896, due Aug. 1 1907, \$150,000, and debenture 5s, \$25,000; and \$125,000 New Castle & Delaware City Ry. 1st 5s, due 1930.—Ed.) Compare V. 84, p. 155.

Wisconsin Central Ry.—New Directors.—At the annual meeting on Oct. 8 George W. Webster and Sidney G. Courteen were elected directors, succeeding W. F. Vilas and George M. Cumming.

Report.—The results for the fiscal year ending June 30 were:

Year.	Gross.	Net.	Oth. Inc.	Charges.	Bal. sur.
1906-07	\$7,577,178	\$2,847,085	\$30,404	\$1,814,033	\$1,063,456
1905-06	7,118,576	2,576,100	30,827	1,804,739	802,188

The surplus for the year, \$1,063,456, is equal to 4% on the outstanding \$11,267,104 preferred stock and 3.77% on the \$16,147,876 common stock outstanding.

F. M. Chadbourne Jr. of New York, a heavy stockholder, who, it is said, will be the Chairman of the executive committee, is quoted as saying:

The company never was in better condition. The Inter-State Commerce Commission's acts and the establishment of the 2-cent rate have caused an increase rather than a decrease in the surplus of the company. In July and August the profits have been larger, August being a better month than July, but both being better than the same months in the year preceding.—V. 85, p. 532, 406.

Worcester (Mass.) Consolidated Street Ry.—Bond Issue Approved.—The Massachusetts Railroad Commission on Oct. 9 sanctioned the issue of bonds amounting to \$1,000,000 to provide for taking up floating debt and for additions and improvements.

The company applied for permission to issue \$1,364,000 coupon or registered debenture bonds, running from 10 to 20 years, interest rate not exceeding 5%, \$941,000 to fund floating debt and \$423,000 for additions, &c. The balance sheet of June 30 1907 shows outstanding: Capital stock, \$3,555,000; funded debt, \$1,060,000; loans and accounts payable, \$2,286,000.—V. 72, p. 676.

INDUSTRIAL, GAS AND MISCELLANEOUS.

American Car & Foundry Co.—*Equipment Trust Notes Guaranteed.*—See St. Louis & San Francisco RR. under "Railroads" above.—V. 85, p. 602.

American Seeding Machine Co., Springfield, O.—*Dividend Reduced.*—With the usual quarterly dividend of 1½% on the preferred stock, the company paid on Oct. 15 a quarterly dividend of ½% on the common stock. Dividends were begun by the reincorporated company last year, and from July 1906 to July 1907 the common shares received 1% every three months.—V. 83, p. 325.

American Sewer Pipe Co., Pittsburgh, Pa.—*Reduction of Capital.*—Touching the plan for reducing the share capital, we understand that the company has bought a considerable block of the stock, but has not yet secured enough to make the reduction desired. It is hoped that the formal reduction in capital can be effected before the first of the year. Meantime the stock purchased is being carried as an investment, thereby leaving the capital stock account the same as it has been. The amount of bonds outstanding is \$1,431,000.—V. 85, p. 724.

American Shipbuilding Co.—*Report.*—The results for the fiscal year ending June 30 were:

Fiscal Year	Net Earnings	Depreciat'n. add'ns, &c.	Pref. divs.	Common dividends.	Balance, surplus.
1906-07	\$2,307,779	\$701,334	\$553,000	(6%) \$456,000	\$597,445
1905-06	2,443,217	806,844	553,000	(6%) 456,000	627,373
1904-05	1,549,450	356,100	553,000	(4%) 304,000	336,350

—V. 83, p. 1172.

American Telephone & Telegraph Co.—*Syndicate Call.*—An installment of 10% on their subscriptions was payable Oct. 5 by the underwriters of the \$100,000,000 convertible bond issue. This makes 90% of the underwriting called up, leaving 10% to be paid Jan. 1 1908. On March 28 1907 the underwriters received checks for 10% to represent bonds sold. (Compare V. 84, p. 750; V. 83, p. 438; V. 82, p. 571, 394.)

Controlled Manufacturing Company to Authorize Bonds and Enlarge Its Scope of Operations.—See Western Electric Co. below.—V. 85, p. 724, 602.

American Window Glass Co., Pittsburgh, Pa.—*Possible Bond Issue.*—A press report states that the company is considering the advisability of offering for local subscription an issue of 10-year 6% bonds for extensions, &c.—V. 83, p. 1172.

Atlanta (Ga.) Telephone & Telegraph Co.—*Bonds Authorized.*—The Georgia Railroad Commission on Sept. 30 authorized the company to issue \$1,000,000 of 5% 20-year bonds dated Aug. 1 1907 for the purpose of taking up outstanding bonds of \$481,500, and to provide for extensions and additions. The mortgage will be limited to \$2,000,000, denominations \$1,000 and \$500.—V. 76, p. 1410.

Balaklala Copper Co.—*New Bonds.*—For the purpose, it is understood, of refunding the existing bonds (about \$1,125,000) and for enlargement of smelter and working capital, the shareholders will vote Oct. 25 on issuing \$2,000,000 10% collateral trust bonds of \$500 each, to be dated Dec. 15 1907 and due in five years, but subject to call after three years at 105, viz., Series A, convertible into stock at par at any time, \$750,000; Series B not convertible, \$1,250,000.

The shareholders, it is said, will presently be permitted to subscribe for \$525,000 of the new bonds in amounts equal to one \$500 bond for each 500 shares of stock held by them respectively.—V. 85, p. 791.

Dominion Iron & Steel Co.—*New Director.*—Sir Montague Allan has been elected a director, to succeed Sir Henry Pellatt.—V. 85, p. 866, 724.

(E. I.) du Pont de Nemours Powder Co.—*Option to Subscribe.*—Common shareholders of record Oct. 10 have the right to subscribe for \$2,500,000 common stock at par to the extent of 10% of their respective holdings. Subscriptions are payable 40% on Nov. 1 1907 and the remaining 60% on or before Nov. 1 1908. The issue has been underwritten by a syndicate, headed by T. C. du Pont, P. S. du Pont and Alfred I. du Pont. The stockholders recently authorized an increase in the capital stock from \$25,000,000 to \$30,000,000.

Stock certificates will be issued March, June, Sept. or Dec. 15, and 7% interest will be allowed on partial payments. Any subscriber will have the privilege of prepaying any or all amounts of said subscription. The right to subscribe will cease Nov. 1 1907. The common stockholders are offered an opportunity to join in the underwriting to the extent of 10% of the common stock held by them respectively. The underwriters agree that they will purchase any or all of said \$2,500,000 common stock which shall not be subscribed for by the common stockholders, and to pay therefor in cash 40% of the par value on Nov. 1 1907, balance, 60% on Nov. 1 1908, or optionally at early dates. The company agrees to pay to the underwriters 10% of the amount, par value, of the stock taken and paid for by said underwriters, said payments to be made in cash.—V. 85, p. 471, 348.

Hecker-Jones-Jewell Milling Co.—*Dividend.*—The directors on Sept. 25 declared a dividend of 12% payable Oct. 30.

The company originally had a capitalization of \$3,000,000 preferred stock on which 8% dividends have been paid, and \$2,000,000 common stock. The company was re-incorporated on March 8 1907, and the capitalization was reduced to \$1,000,000, all of one kind. Although not officially so stated, it is believed that the present dividend is semi-annual, in which case the year's payment on the reduced capitalization will be equivalent to the amount paid on the old preferred. The Standard Milling Co. owned \$4,894,700 of the total stock (\$5,000,000) of the predecessor company.—V. 84, p. 1370, 751, 696.

Lake Superior Co.—*Dividend.*—See Great Northern Ry. under "Railroads" above.—V. 71, p. 700.

Massachusetts Gas Companies.—*Report.*—For fiscal year ending June 30:

Fiscal Year	Dividends, Int. &c. rec'd.	Expenses.	Deductions—Interest.	Prof. Div.	Balance, surplus.
1906-07	\$1,658,360	\$43,648	\$13,327	\$1,000,000	\$601,385
1905-06	1,855,964	62,575	57,733	1,000,000	755,656

An appropriation of \$750,000 was made from accumulated surplus in June last for dividends on the \$25,000,000 common stock, being equal to 3% per annum thereon; the first installment, 1% (\$250,000), is payable Aug. 1 1907.

For the earnings, &c., of the operating companies, see V. 85, p. 725, 656.

Pacific Coast Co.—*Report.*—For years ending June 30:

Fiscal Year	Gross Earnings	Net Earnings	Other Inc.	Total Charges	Total Div'ds.	Total Surplus
1906-07	\$7,406,495	\$1,419,879	\$69,794	\$282,582	\$736,250	\$470,841
1905-06	6,308,413	1,372,419	82,963	263,598	736,250	455,534

The dividends include \$76,250 (5%) on first preferred, \$240,000 (6%) on second preferred and \$420,000 (6%) on the common stock.—V. 83, p. 1047.

Pacific Gas & Electric Co., San Francisco.—*New Bonds.*—The shareholders will vote Nov. 20 on increasing the bonded debt from \$10,350,000 to \$14,350,000 through an issue, if found desirable, of \$4,000,000 debentures to take up existing securities. Compare V. 81, p. 1242, 1849; V. 82, p. 219; V. 85, p. 725, 408.

Called Bonds.—See San Francisco Gas & Electric Co. below.—V. 85, p. 725, 408.

Parke, Davis & Co., Detroit.—*Proposed Stock—Dividend of 87½%.*—The "Detroit Tribune" of Oct. 3 said:

The board of directors have recommended the distribution to stockholders of \$3,500,000 accumulated surplus profits, or 87½% of the present capitalization of \$4,000,000. It is also recommended that the capital stock be increased to \$8,000,000. Both propositions will be voted on by the stockholders at a special meeting Oct. 17. The \$500,000 extra stock will be offered pro rata to the present stockholders at par, \$25 a share. At the beginning of the year the surplus was known to be about \$3,000,000 and growing. It is said that \$500,000 will be left in surplus as a nest egg for more accumulations. Compare V. 84, p. 1125.

San Francisco Gas & Electric Co.—*Called Bonds.*—This company, controlled by the Pacific Gas & Electric Co. of San Francisco, has called for redemption on Nov. 1 1907 at 105, at the Union Trust Co. of San Francisco, trustee, \$100,000 bonds secured by mortgage dated Nov. 1 1903.—V. 82, p. 104.

W. & J. Sloane, New York.—*New Stock.*—The shareholders will vote Oct. 29 on increasing the capital stock from \$3,000,000 to \$4,000,000.

Standard Milling Co.—*Dividend of Sub-Company.*—See Hecker-Jones-Jewell Milling Co. above.—V. 84, p. 1372, 752.

Tennessee Coal, Iron & Railroad Co.—*Option to Subscribe for New Stock.*—The stockholders of record on Oct. 10 1907 have the privilege until 3 p. m., Oct. 15 1907, of subscribing for new stock equal at par to 12½% of the par of stock held by them, respectively, at the price of \$100 per share, payable as follows: 20% on subscription, 20% on Dec. 16 1907, 20% on Feb. 17 1908, 20% on April 15 1908 and 20% on June 15 1908. Subscription warrants must be filed and payments thereon made at the company's office, No. 115 Broadway, New York. Receipts for part paid subscriptions will bear interest at the rate of 6% per annum. Stock certificates will be delivered on June 15 1908. The stock so offered amounts to about \$3,667,017 and will increase the common stock outstanding to about \$33,003,157.—V. 85, p. 669, 473.

United States Brick Co., Reading, Pa.—*Default by Subsidiary.*—The Montello Brick Co. on Oct. 1 defaulted on the dividend then due on its \$550,000 common stock.

Frank Richards of Philadelphia recently brought proceedings here to have the United States Brick Co. declared insolvent and to have a receiver appointed. Compare V. 80, p. 1975; V. 85, p. 227.

Western Electric Co., Chicago.—*Bonds.*—The shareholders will vote Nov. 5 on authorizing the execution of a mortgage to secure an issue of \$15,000,000 first mortgage 5% gold bonds. A circular says:

The board of directors does not expect that if its action is ratified it will be necessary to issue all or part of the bonds at present. The proposed action would give the authority to issue bonds if future business conditions demand it. At present the company has no bonded debt. Its authorized capital is \$25,000,000, of which \$15,000,000 is outstanding.

An exchange journal says:

The need of additional working capital has at last led the directors to ask for authority to issue bonds. During the past eight or nine months the floating debt has been cut down to about \$15,000,000 or \$16,000,000, and the new bonds will provide for funding this remainder whenever the condition of the bond market warrants their sale.

Change in Business Methods.—Announcement was made on Oct. 3 that the company's output of telephone and telephone supplies, previously sold only to the Bell Telephone interests, would in future be disposed of to purchasers generally, the capacity of the plant having been sufficiently enlarged to take care of the outside orders. The company is also seeking to extend its business in general electrical apparatus. The "Boston News Bureau" says:

The gross business of the company up to Oct. 1 showed a decrease of 15% compared with the same period of 1906. This means that for the first nine months of this year the company has been doing business at the rate of approximately \$60,000,000 gross, as compared with \$78,000,000 for 1906. The dropping off has been almost entirely confined to telephone apparatus, which comprises two-thirds of the total output.

In 1906 the company manufactured nearly \$25,000,000 of general electrical apparatus largely sold in competition with the General Electric and Westinghouse companies. The Western Electric has developed a large trade of its own in the Western field, but has not until within a few months invaded the Eastern field. The company is just beginning to feel its way into New England.—V. 84, p. 512.

Winona Copper Co.—*Assessment.*—The directors have voted to call an assessment of \$2 per share, payable \$1 per share Nov. 12 1907 and \$1 Feb. 6 1908, at the American Trust Co., Boston.—V. 85, p. 350.

Reports and Documents.

ERIE RAILROAD COMPANY.

TWELFTH ANNUAL REPORT—FOR THE FISCAL YEAR ENDING JUNE 30 1907.

New York, October 8 1907.

To the Bond and Share Holders of the Erie Railroad Company:

The following report of the operations of your property for the year ending June 30 1907 is respectfully submitted by the Board of Directors:

MILEAGE.

Table No. 1 shows in detail the mileage controlled or operated during the fiscal year ending June 30 1907, from which you will note that the Company—

Owms in fee or controls by ownership of entire stock	1,658.71	Miles
Controls by ownership of over a majority of stock	157.97	"
Leases	276.18	"
Has trackage rights over	75.99	"
Total mileage operated	2,168.85	"
Has restricted trackage rights over	109.20	"
Owms and leases to other companies	15.12	"
Leases and re-leases to other companies	2.35	"
Controls lines operated independently	37.87	"
Total mileage controlled but not operated	164.54	"
Grand Total	2,333.39	"

—of which 814.41 miles, or 34.9 per cent, have second track, 16.52 miles have third track, and 16.48 miles have fourth track.

The increase of 17.91 miles in trackage rights is on account of the use of the tracks of the Buffalo Rochester & Pittsburgh Railroad Company between Clarion Junction and Eleanora Junction, a distance of 50.67 miles, and the discontinuance of the use of the tracks of the Philadelphia & Erie Railroad Company between Johnsonburg and Brockwayville, 27.76 miles, and Ridgway to Daguseahonda, 5 miles.

The increase of 43.05 miles in second track is due to the construction of additional second track, as follows:

Between Windham and Freedom, 5.52 miles, Mansfield and Conden, 3.81 miles, and Ashland and Pavonia, 1.02 miles; and in trackage rights, Buffalo Rochester & Pittsburgh RR., between Clarion Junction and Eleanora Junction, 40.50 miles, less 7.80 miles of second track of the Philadelphia & Erie Railroad discontinued.

EARNINGS AND EXPENSES.

The following statement shows the gross earnings, expenses and net earnings from the railroad and other operations for the fiscal year of the entire system, excepting the New Jersey & New York Railroad:

EARNINGS.

From—	1907.	1906.	Increase (+) or Decrease (—).
Freight	\$25,114,683 18	\$23,506,444 40	+\$1,608,238 78
Coal	13,435,409 29	12,049,493 47	+1,385,915 82
Passenger	9,458,281 67	8,982,810 52	+475,471 15
Mail	495,457 67	503,307 44	—7,849 77
Express	1,025,093 83	1,092,928 03	—67,834 20
Rents	224,978 07	202,212 61	+22,765 46
Miscellaneous	1,440,209 74	1,124,205 52	+316,004 22
Earnings—Railroad	\$51,194,113 45	\$47,461,401 99	+\$3,732,711 46
Earnings—Other operations	2,720,713 90	2,541,232 37	+179,481 53
Total Earnings	\$53,914,827 35	\$50,002,634 36	+\$3,912,192 99

EXPENSES.

For—	1907.	1906.	Increase (+) or Decrease (—).
Maintenance of Way and Structures	\$5,087,974 89	\$4,600,230 20	+\$487,744 69
Maintenance of Equipment	8,147,536 49	8,677,904 21	—530,367 72
Conducting Transportation	18,107,484 94	16,644,723 28	+1,462,761 66
Traffic Department	967,922 83	904,771 35	+63,151 48
General Expenses	1,269,039 37	1,231,500 01	+37,539 36
Taxes	1,442,798 34	1,017,505 45	+425,292 89
Expenses—Railroad	\$35,022,756 86	\$33,076,634 50	+\$1,946,122 36
Expenses—Other Operations	3,144,282 23	2,796,202 56	+348,079 67
Total Expenses	\$38,167,039 09	\$35,872,837 06	+\$2,294,202 03
Net Earnings—Railroad	\$16,171,356 59	\$14,384,767 49	+\$1,786,589 10
Net Earnings—All Operations	15,747,788 26	14,129,797 30	+1,617,990 96

Ratio of Expenses to Earnings

1907.	70.79%
1906.	71.74%
Change	— .95%

As shown above, the increase in gross earnings was \$3,912,192 99, or 7.82 per cent more than the preceding year, the operating expenses increasing \$2,294,202 03, or 6.40 per cent over the previous year, the net earnings being \$15,747,788 26, an increase compared with the previous year of \$1,617,990 96, or 11.45 per cent. The ratio of Operating Expenses (exclusive of taxes) to Earnings was 68.12 per cent.

MERCHANDISE FREIGHT.

The merchandise tonnage for the year was 20,911,586 tons, an increase of 1,534,236 tons, or 7.92 per cent. The increase in revenue from the transportation of merchandise freight was \$1,608,238 78, or 6.84 per cent more than the previous year.

COAL.

The total coal tonnage for the year was 18,258,031 tons, an increase of 1,279,999 tons, or 7.54 per cent, over the previous year.

The revenue from the transportation of this commodity increased \$1,385,915 82, or 11.50 per cent.

The anthracite tonnage was 8,628,049 tons, an increase of 1,190,574 tons, or 16.01 per cent, over the previous year.

The bituminous tonnage was 7,338,700 tons, an increase of 88,880 tons, or 1.23 per cent, over the previous year.

The coke tonnage was 2,291,282 tons, an increase of 545 tons, or .02 per cent.

The coal tonnage of the Company was 46.62 per cent of the total tonnage transported.

GENERAL FREIGHT TRAFFIC.

The total revenue freight traffic of the Company during the year, including both merchandise and coal, was 39,169,617 tons, an increase of 2,814,235 tons, or 7.74 per cent.

The number of tons carried one mile was 6,275,629,877, an increase of 331,250,327 ton miles, or 5.57 per cent.

The total revenue derived from the transportation of freight was \$38,550,092 47, as compared with \$35,555,937 87 for the year 1906, an increase of \$2,994,154 60, or 8.42 per cent.

The general average freight rate per ton per mile was .614 cents as compared with .598 cents the previous year, an increase of .016 cents, or 2.68 per cent.

In addition to the above tonnage, 4,455,109 tons of Company's freight were hauled, making the total tonnage handled 43,624,726 tons.

In hauling this tonnage, 13,306,592 train-miles were run, an increase compared with the previous year of 231,904 train miles, or 1.77 per cent.

The revenue per freight train mile was \$2 90 as compared with \$2 72 the previous year, an increase of 18 cents, or 6.53 per cent. The average train-load of revenue freight was 471.62 tons, an increase of 16.97 tons, or 3.73 per cent.

Including Company's freight, the average train-load was 504.84 tons as against 484.30 tons last year, an increase of 20.54 tons, or 4.24 per cent. The average car load of revenue freight was 19.57 tons, an increase of .82 tons, or 4.37 per cent.

Including Company's freight, the average car load on the system was 20.95 tons, an increase of .97 tons, or 4.85 per cent more than the previous year.

PASSENGER TRAFFIC.

The total number of passengers carried during the year was 24,199,723, an increase of 1,383,701 passengers, or 6.06 per cent.

The number of passengers transported one mile was 639,792,610, an increase of 41,136,855 passenger miles, or 6.87 per cent.

The increase in gross revenue therefrom was \$475,471 15, or 5.29 per cent.

The average fare received from each passenger per mile was 1.478 cents, a decrease of .022 cents, or 1.47 per cent.

The average distance traveled was 26.44 miles, an increase of .20 miles, or .76 per cent.

The average revenue received from each passenger was 39.08 cents, a decrease of .29 cents.

In handling the traffic 9,238,431 train miles were run, an increase of 3.60 per cent.

The earnings per passenger train mile were \$1.214, an increase of .10 per cent.

The average number of passengers in each train was 69.25, an increase of 2.12 passengers, or 3.16 per cent.

The average number of passengers in each car was 18.72, an increase of .10 passengers, or .54 per cent.

The volume of the business increased 6.06 per cent, the earnings 5.29 per cent and the train mileage 3.60 per cent.

Of the total number of passengers carried, 23,516,696 were local and 683,027 were through passengers, the local traffic showing a substantial increase in volume but a slight decrease in the average revenue received per passenger per mile. A substantial increase was also made in the volume of through traffic transported, the average revenue received per passenger per mile showing a slight decrease.

19,718,465 passengers were carried by the Pavonia Ferry over the Hudson River, an increase of 921,594 over last year.

EXPENSES.

MAINTENANCE OF WAY AND STRUCTURES.

The expense of Maintenance of Way and Structures shows an increase of \$478,744 69, or 10.60% over the previous year. This increase is principally caused by the increased cost and more extensive renewal of ties and switch timbers; to additional labor employed at increased rates of pay on tie renewals and placing ballast in the track; additional miles of telegraph lines rebuilt; removal of snow and ice during the extreme cold weather last winter and to the increased repairs to station and miscellaneous buildings.

61 bridges were replaced by new structures of greater carrying capacity.

33,356 tons of new 90-pound and 3,611 tons of new 80-pound steel rail were placed in the track during the year, with the necessary frogs, switches, etc.

1,028,759 cross-ties and 2,321,811 feet of switch timber were placed in the track, together with 696,561 tie plates. 235.9 miles of track were fully ballasted and 9.8 miles of track were partially ballasted.

43 miles of new right-of-way fences were built.

31.1 miles of passing and other Company's sidings and 12.5 miles of industrial side tracks were constructed.

64.5 miles of telegraph lines were rebuilt.

New combined passenger station and waiting sheds have been erected at Silver Lake, N. J., Bladell, N. Y., and Smith Mills, N. Y.; freight stations at North Newark, N. J., Dundee, N. J., and Verona, N. J.; passenger waiting sheds at Waldwick, N. J., and Passaic, N. J., and a transfer house at Wilders, Ind.

MAINTENANCE OF EQUIPMENT.

The expense of Maintenance of Equipment shows a decrease of \$530,367 72, or 6.11 per cent, as compared with the previous year. The decrease is largely accounted for by your Company having made unusually large expenditures in repairs to locomotives during the years 1905 and 1906, which, together with the benefit derived from the new locomotives received during 1906, resulted in a decrease in the cost of repairs to locomotives.

The increase in the expense of repairs to freight cars was occasioned by the increased cost of material, as well as the increase in wages paid employees in the Car Department.

24 locomotives were remodeled and the cost charged to Expenses.

30 worn-out light locomotives were put out of the service and their inventory value charged to Expenses.

The tractive power of locomotives is 43,490,311 pounds, a decrease of 349,990 pounds.

The total number of locomotives at the end of the fiscal year was 1,384, a decrease of 26 as compared with the previous year, 4 new locomotives having been received, and 30 old locomotives disposed of as stated above.

The average age of the locomotive equipment is 12 years 1 month, an increase of 7 months over the previous year.

The average mileage made by locomotives in passenger service was 46,499 miles, a decrease of 6.55 per cent.

The average mileage made by locomotives in freight service was 32,342 miles, a decrease of 2.82 per cent.

The increments during the year to the Reserve Fund for the renewal of locomotives have been used toward the payment of the locomotives covered by Equipment Trust, Series "H."

The increase in the account "Freight Cars Destroyed or Sold," resulting from the plan adopted to dispose of old cars, as explained in the report for the year ending June 30 1905, is \$94,422 68.

During the year the Reserve Fund for the renewal of cars was charged \$1,812,378 99, that being a partial payment on account of the purchase of 3,000 box cars; payment in full for 600 flat and 500 gondola cars; payment on account of 500 produce and various other miscellaneous freight car equipment. At the close of the year there is a balance of \$205,542 66 available for replacement purposes.

Your Company's floating equipment has been maintained. During the year there has been received one 17 car float. The ferryboat "Susquehanna" has been converted into an exclusively passenger ferryboat and the cost charged to Expenses. The ferryboat "Paterson" was sunk and the inventory value December 1 1895 has been set aside as a Reserve Fund for replacement.

The Inventory of Equipment, Table No. 17 of pamphlet, shows the changes in the equipment during the year.

CONDUCTING TRANSPORTATION.

The expense of Conducting Transportation increased \$1,462,761 66, or 8.79 per cent over the previous year.

Substantial increases were made in the rate of pay to trainmen and a number of other classes of employees in the Transportation Department.

The number of tons of freight moved shows an increase of 7.74 per cent and the number of passengers carried shows an increase of 6.06 per cent.

The number of tons of freight carried one mile increased 5.57 per cent. The average distance each ton was moved during the current year was 160.22 miles, a decrease of 2.01 per cent as compared with the previous year.

TRAFFIC DEPARTMENT EXPENSES.

Traffic Department Expenses increased \$63,151 48, or 6.98 per cent over the previous year. The increase is explained by the establishment of new agencies at Milwaukee, Wis., Portland, Ore., and other points; the establishment of tariff bureaus; the increased amount expended for advertising, and the increase in expenses of traffic and line associations in connection with recent legislation.

GENERAL EXPENSES AND TAXES.

The increase in General Expenses and Taxes was \$462,832 25, or 20.59 per cent over the previous year. The heavy increase in taxes is almost entirely due to legislation by the State of New Jersey, the legality of which is now before the courts for adjudication.

CONSTRUCTION.

The Company's Capital or Construction Account for the year is charged with \$2,463,699 82, representing a portion of the expenditures for additions and betterments made to the property. These improvements consist chiefly of: Land, Coal Storage Plants, Development of Coal Property,

Elimination of Grade Crossings, Additional Tracks and Sidings, Yards, Stations and Buildings, Reducing Grades and Re-locating Tracks, Additional Machinery, Bridges and Culverts, Electrification of Rochester Division, Docks and Piers.

From December 1 1895, the date of the organization of this Company, to June 30 1907 \$12,732,485 99 has been expended in improvements and additions to the property and charged to Capital Account, as follows:

Elimination of Grade Crossings.....	\$1,713,174 55
Yards, Stations and Buildings.....	2,498,469 33
Reducing Grades and Re-locating Tracks.....	1,125,618 49
Additional Tracks and Sidings.....	1,164,328 99
Signals and Interlocking.....	121,494 56
Goshen Railroad.....	62,570 45
Coal Storage Plants.....	901,784 89
Coaling Stations.....	88,534 89
Development of Coal Property.....	521,244 28
Docks and Piers.....	303,037 39
Bridges and Culverts.....	248,119 07
Land.....	2,820,995 23
Telegraph Line.....	6,092 45
Additional Machinery.....	924,674 53
Electrification of Rochester Division.....	232,346 89
Total.....	\$12,732,485 99

EQUIPMENT.

Capital Account has been charged during the year with \$8,773,181 84 for additional equipment as follows:

Balance on 100 Locomotives.....	\$1,598,094 76
Balance on 2,000 Coal Cars.....	2,225,718 33
Partial Payment on 3,000 Coal Cars.....	119,919 51
Balance on 500 low side Gondola Cars.....	576,865 48
Balance on 4,000 Box Cars.....	4,205,197 87
Partial Payment on 3,000 Box Cars.....	3,440 00
500 Produce Cars.....	585,800 00
Balance on 25 Passenger Cars.....	204,098 18
10 Horse Express Cars.....	53,442 48
3 Combined Express, Baggage and Mail Cars.....	6,800 67
6 Motor Cars and Equipping 6 Trailer Cars with Lights and Heaters.....	110,311 99
10 Open Lighters.....	71,433 60
Total.....	\$8,773,181 84

Less payments made on cars and locomotives covered by Equipment Trusts and charged to "Equipment," but for which as payments are made the amount so paid is charged either to "Funds for Renewals of Cars and Locomotives" or "Additions and Improvements," as follows:

156 Locomotives.....	\$481,547 03	
3,000 Box Cars.....	506,394 00	987,941 03
Total.....	\$988,941 03	

Total..... \$8,773,181 84

From December 1 1895 to June 30 1907, \$36,511,046 70 has been expended for new equipment charged to Capital Account, and represents the purchase or partial payment on account of

610 Locomotives.....	\$8,838,885 30
18,500 Box Cars.....	
15,500 Coal Cars.....	
500 Refrigerator Cars.....	
184 Flat Cars.....	
100 Furniture Cars.....	25,032,572 69
20 Caboose Cars.....	
6 Milk Cars.....	
500 Low-side Gondola Cars.....	
500 Produce Cars.....	
105 Passenger Cars.....	
1 Parlor Car.....	
2 Dining Cars.....	
8 Baggage Cars.....	
25 Sixty-foot Express Cars.....	1,264,903 73
16 Horse Express Cars.....	
1 Business Car.....	
3 Combined Express Baggage and Mail Cars.....	
6 Motor Cars and Equipping 6 Trailer Cars with Lights and Heaters.....	
7 Derrick Cars.....	
1 Rotary Snow Plow.....	96,869 18
2 Lake Steamers.....	
3 Ferry Boats.....	1,021,547 80
3 Tug Boats.....	
257 Canal and Transfer Boats.....	
20 Barges.....	253,239 76
10 Open Lighters.....	
Miscellaneous Equipment.....	3,028 24
Total.....	\$36,511,046 70

ADDITIONS AND IMPROVEMENTS.

During the year \$1,769,877 38 has been expended for improvements and additions to the property, of which \$1,642,028 99 has been charged to the Income Account of the current year and \$127,848 39 has been charged against the amount set aside for this purpose out of the income of the year ending June 30 1903. (For details see page 11 of pamphlet report.)

EQUIPMENT TRUSTS.

Of the Trusts assumed from the New York Pennsylvania & Ohio Railroad Company,

There was a balance on June 30 1906 of.....	\$517,183 03
Upon which payments have been made to June 30 1907 of.....	165,122 74
Leaving a balance on that date of.....	\$352,060 29
Of the Equipment Trusts created prior to this fiscal year,	
There was a balance on June 30 1906 of.....	\$14,547,022 86
Upon which payments have been made to June 30 1907 of.....	2,736,490 71
Leaving a balance of.....	11,810,532 15
During the year Equipment Trusts have been made covering	
10 Horse Express Cars.....	\$53,867 48
500 Gondola Cars.....	511,000 00
500 Flat Cars.....	439,000 00
500 Produce Cars.....	580,000 00
Total.....	\$1,583,867 48
Upon which payments have been made to June 30 1907 of.....	47,000 00
Leaving a balance of.....	1,536,867 48
Making the total Equipment Trusts outstanding as of June 30 1907.....	\$13,699,459 92
The total payments account of Equipment Trusts made during the year amounted to.....	\$2,948,613 45

CAPITAL STOCK AND FUNDED DEBT.

No change has been made in the outstanding Capital Stock, which is as follows:

	Authorized Issue.	Issued.
Non-cumulative 4% First Preferred	\$48,000,000 00	\$47,892,400 00
Non-cumulative 4% Second Preferred	16,000,000 00	16,000,000 00
Common	153,000,000 00	112,378,900 00

Total \$217,000,000 00 \$176,271,300 00
Of the Prior and General Lien Bond secured by the First Consolidated Mortgage Deed, an additional \$2,000,000 00 General Lien Bonds have been issued during the year and are held in the treasury.

The total amounts of bonds issued under that mortgage, now outstanding, are:

Prior Lien Bonds	\$35,000,000 00
General Lien Bonds	44,012,000 00

The statements published herewith show in detail the Company's entire funded debt, rentals of leased lines and other fixed obligations as of June 30 1907.

INCOME ACCOUNT.

Gross Revenue from Operations	\$53,914,827 35
Operating Expenses and Taxes	38,167,039 09
Net Earnings from Operations	\$15,747,788 26
Income from Securities Owned, &c.	2,202,625 14
Gross Income	\$17,950,413 40
Less Interest and Rentals	12,046,754 92
Net Income	\$5,903,658 48
Expended for Additions and Improvements	\$1,642,028 99
Dividends on 1st Preferred Stock	
No. 12	\$957,848 00
No. 13	957,848 00
Dividends on 2d Preferred Stock	
No. 5	\$320,000 00
No. 6	320,000 00
	2,555,696 00
	4,197,724 99
Balance to Credit of Profit and Loss	\$1,705,933 49

FINANCIAL.

The General Balance Sheet, Table 4, published herewith, shows the financial condition of the Company at the close of the fiscal year.

The Prior Lien Bond Issue is unchanged. Your Company has received from the Trustee \$2,000,000 00 of General Lien Bonds, being the seventh and eighth million of the \$17,000,000 00 of General Lien Bonds reserved for construction purposes. Your Company is entitled to receive about \$329,000 00 more of these bonds on account of N. Y. P. & O. Car Trust payments. Your Company has also received from the Trustee of the Pennsylvania Collateral Indenture \$1,000,000 00 of Pennsylvania Collateral 4% Gold Bonds, of which \$250,000 00 have been sold and the balance, \$750,000 00, have been placed with the Securities in the Treasury.

The account "Erie Railroad Properties, including Leased Lines," shows a decrease of \$72,503 00, due to crediting this account with amounts paid on mortgages on real estate during the year, &c., less discount on bonds sold and amount on deposit with the State of New Jersey transferred to the books of the Penhorn Creek Railroad Co.

The increase of \$2,463,699 82 in Construction and \$8,741,178 19 in Equipment has been explained, with the exception that during the fiscal year there has been charged to Operating Expenses and Equipment Account credited a portion of the cost of the 544 box cars purchased during the year ending June 30 1901, to which reference was made in the report for that year.

The account "Miscellaneous Securities Owned" shows an increase of \$2,461,201 22 due to your Company having received Erie Railroad Company General Lien Bonds, Erie Railroad Company Pennsylvania Collateral Gold Bonds, Chicago & Western Indiana Railroad Company Bonds and other miscellaneous securities, less Bonds of the Mutual Terminal Company of Buffalo and other miscellaneous securities disposed of during the year.

There is \$1,206,225 03 invested in materials in excess of the amount so invested at the close of the last fiscal year.

The increase in the account "Chicago & Western Indiana Railroad Sinking Fund" was \$658 30, representing a larger balance on deposit with the Trustees than at the close of the previous fiscal year, and the account "Cash with Trustees of Sinking Funds" shows a decrease of \$143,851 17, due to the Trustees of the Sinking Funds having invested a larger amount of cash in the purchase of securities for which the Funds were created.

Messrs. J. P. Morgan & Company, as Trustee of the Pennsylvania Collateral Sinking Fund, during the year redeemed \$572,000 00 par value of the Erie Railroad Company's Pennsylvania Collateral Four Per Cent Gold Bonds, paying therefor \$523,890 00, which amount represents the increase in the account "Pennsylvania Collateral Trust Bonds Redeemed." The total par value of these bonds redeemed at the close of the year is \$1,935,000 00.

There is a decrease of \$1,752,242 17 in the account "Due from Subsidiary Companies," which is caused by some of these Companies having reduced their indebtedness to your Company; the balance is due to transferring from this account to the account "Due from Subsidiary Companies Account Construction" the amounts advanced to the Erie & Jersey Railroad Company and the Genesee River Railroad Company. Your Company having also advanced further amounts to the two Companies last named during the fiscal year explains the account "Due from Subsidiary Companies Account Construction."

The account "Reserve Funds," which consists of two items, decreased \$145,325 28. The item "For Improvements authorized to June 30 1903" decreased \$131,509 26, due to charges against this account as heretofore explained under the head of "Additions and Improvements" and in the Profit and Loss account; the item "Miscellaneous Special Funds" decreased \$13,816 02, on account of the purchase of new equipment charged to this account, less a sum set apart to meet estimated amount of taxes accrued on property in Jersey City during the fiscal year, settlement of which is delayed on account of litigation.

The increase of \$430,176 55 in the account "Accrued Sinking Fund" represents additional amount set aside to be used in the redemption of Pennsylvania Collateral Trust Bonds.

All of the securities for construction purposes turned over by the Erie Reorganization Committee have been converted into cash, as follows:

Value as placed on the Books Jan. 1897.	Cash Realized from Sale.
\$115,200 00 Buffalo & Southwestern RR. Second Lien Bds.	\$126,720 00
405,000 00 Erie Railroad Company's Prior Lien Bonds	414,000 00
364,055 22 N. Y. & Greenwood Lake Ry. Prior Lien Bonds	385,570 22
1,034,400 00 Erie Railroad Company's General Lien Bonds	1,214,908 93
630,000 00 Delaware & Hudson Exclusive Car Trust Certs.	630,000 00
202,000 00 Car Trust of New York Certificates	202,000 00
\$2,750,655 22	\$2,973,199 15

In addition to these securities there have been certified by the Trustee of the Erie Railroad Company's First Consolidated Mortgage Deed and turned over to your Company to reimburse it for expenditures already made, \$5,000,000 00 Erie Railroad Company's Prior Lien Bonds and \$8,000,000 00 Erie Railroad Company's General Lien Bonds; and by the Trustee of the Erie Railroad Company's General Mortgage \$22,000,000 00 Erie Railroad Company's Convertible Bonds.

Of these securities the following have been converted into cash:

Par Value.	Cash Realized from Sale.
\$5,000,000 00 Erie Railroad Company's Prior Lien Bonds	\$4,539,884 27
8,000,000 00 Erie Railroad Company's General Lien Bds.	2,484,111 11
21,015,000 00 Erie Railroad Company's Convertible Bonds	19,215,000 00
\$29,015,000 00	\$26,238,995 38

leaving still in the treasury:

Erie Railroad Company's General Lien Bonds	\$5,000,000 00
Erie Railroad Company's Convertible Bonds	985,000 00

From December 1 1895 to June 30 1907 your Company has received cash from all sources for Construction and Equipment purposes, as follows:

\$500,000 00	From sale of Erie & Wyoming Valley Railroad Stock.
500,000 00	Cash received in settlement with the National Transit Company on account of an old claim.
4,343,850 13	Cash turned over by the Erie Reorganization Committee.
2,973,199 15	Cash realized from the sale of securities turned over by the Erie Reorganization Committee.
7,023,995 38	Cash realized from the sale of securities obtained from the Farmers' Loan & Trust Company, Trustee.
19,215,000 00	Cash realized from sale of securities obtained from the Standard Trust Company of New York, Trustee.
2,500 00	Received from sale of P. C. & Y. RR. Bonds turned over to the Erie Railroad Company by the Receivers of the New York Lake Erie & Western Railroad Co.
457,867 50	Cash realized from the sale of Capital Stock of the Northern Railroad Company of New Jersey, originally paid for by the Erie Reorganization Committee from Construction Funds, and sold June 1 1899 by the Erie Railroad Co.
200,000 00	Amount received account of sale of the Union Dry Dock franchises, etc.
107,889 22	Amount returned June 14 1901 by the English Government account of Special Tax Deposit by the Erie Reorganization Committee.
230,227 05	Amount received to enable the Company to purchase Erie & Wyoming Valley Railroad Equipment.
\$35,554,628 43	

This amount has been used to partially reimburse your Company for the following expenditures:

\$457,867 50	For purchase of Northern Railroad Company of New Jersey Stock, as explained above.
10,866,566 28	New Construction.
24,081,974 34	New Equipment.
1,729,611 68	Old New York Lake Erie & Western Car Trusts.
65,000 00	Payment of Mortgages on Real Estate.
348,377 50	Disbursed on account of Union Steamboat Company in liquidation of its affairs and in building or acquiring additional property.
111,241 84	Liquidating Receivership New York Lake Erie & Western Railroad Company.
\$37,660,639 14	

Your Company has therefore expended from its current cash for liquidating the Receivership of the New York Lake Erie & Western Railroad Company and for construction and equipment purposes from December 1 1895 to June 30 1907, \$2,106,010 71, for which it is or will be entitled to be reimbursed from the sale of either Erie Railroad Company's General Lien Bonds or Erie Railroad Company's Convertible Bonds.

The amount stated as having been expended for new Equipment includes payments amounting to \$8,703,142 98 made on cars and locomotives, which are covered by new Equipment Trusts.

Construction expenditures on properties covered by Pennsylvania Collateral Trust Indenture have been kept separately and to June 30 1907 there has been expended on these accounts \$1,252,495 94; \$1,108,261 14 has been realized from the sale of securities obtained from the Trustee of the Indenture, leaving \$750,000 Pennsylvania Collateral Trust Bonds in the Treasury. Your Company has therefore expended from its current cash for construction purposes to June 30 1907 \$144,234 80, for which it is or will be entitled to be reimbursed from the sale of Erie Railroad Company Pennsylvania Collateral Trust Four Per Cent Bonds.

The total amount for which your Company has not yet been reimbursed from the sale of bonds for expenditures made under the terms of the First Consolidated Mortgage Deed, the General Mortgage and the Pennsylvania Collateral Trust Indenture, is \$2,250,245 51.

In accordance with the usual practice, your Company's accounts for the year have been examined by Messrs. Haskins & Sells, Certified Public Accountants, and the result of this examination is stated in the Accountant's Certificate. (See pamphlet report.)

GENERAL REMARKS.

Additions and improvements to the property and equipment of the Company aggregating \$13,006,759 04 have been made during the year, of which \$11,236,881 66 has been charged to Capital Account and \$1,769,877 38 has been paid from the Company's Income as shown above.

The construction of the Erie & Jersey Railroad, the low-grade line between Guymard and Highland Mills referred to in previous reports, was suspended in March 1907, the Company at that time being unable to secure funds on reasonable terms to continue the work. Satisfactory financial arrangements having been subsequently made, the work on this line was resumed in the month of June, and is now being vigorously prosecuted. It has been deemed wise, however, on account of the continued high rates for money, to postpone the contemplated improvements of the line between Highland Mills and Passaic Junction which your Company hoped to make in connection with the construction of the Erie & Jersey Railroad. While the maximum benefits will not be secured until the improvements of the existing line are made, the completion of the new work, which has been resumed, will furnish additional facilities and produce substantial economies in the operation of the line between Port Jervis and Jersey City.

In furtherance of the plan to provide a low-grade line and additional facilities between Port Jervis and Jersey City, the Erie Terminals Railroad Company has been organized and incorporated under the laws of the State of New Jersey, to construct, maintain and operate a line of railroad from a point on the State line between New York and New Jersey near Suffern to the Hudson River, and the Suffern Railroad has been organized and incorporated under the laws of the State of New York to construct, maintain and operate a railroad from Suffern to a connection with the Erie Terminals Company.

In conjunction with the Erie & Jersey Railroad, this will give the Erie Terminals Company a through line of railroad between Guymard, the western terminus of the Erie & Jersey Railroad, and the Hudson River.

Satisfactory progress has been made during the year in the construction of the Columbus & Erie Railroad, referred to in the last report.

The construction of the Genesee River Railroad between Cuba and Hunts, N. Y., referred to in the last report, was suspended in March 1907, but satisfactory arrangements for financing the cost of the work having been concluded in June, the work was resumed, and is now being pushed to completion. The improvements of the line between Salamanca and Cuba and between Hunts and Hornell, which your Company hoped to make in connection with the construction of the Genesee River Railroad, have been postponed until opportunity is offered to secure funds for the work on more favorable terms than are possible at present.

While the maximum benefits to be derived from the construction of these new lines cannot be attained until the improvements of the existing line are completed, the increased facilities and economies to be derived therefrom will be of great benefit to your Company, and it is hoped that at some near time in the future the capital required to carry out the original plans can be secured on favorable terms.

The electrification of the line between Rochester and Mount Morris, N. Y., was completed and put in operation in the month of June.

To provide for the necessary enlargement of facilities required to handle increased freight traffic, additional land has been acquired at Jersey City, Orange, Port Jervis, Susquehanna, Cleveland, Marion and other points on the line.

During the year 161 industrial establishments were located on the line of road, 89 of which have direct side track connections. In addition, 42 industries were located where they are reached by paying switching charges to other companies. Side tracks have been constructed to 14 industries not heretofore reached, and side tracks extended at 42 industries previously located, to take care of increased business.

There has been an increment of \$43,518 60 to the Insurance Fund during the year, the balance remaining to the credit of this Fund at the close of the year being \$718,071 56.

\$22,475,371 53, or 58.89%, of the total Operating Expenses was paid by the Company direct to labor, being distributed among 38,396 employees.

\$462,128 42 was paid during the year for mileage on private freight cars.

The contract with Wells Fargo & Co., for handing the express business on your line, has been extended for a further period of sixteen years from July 1st 1916 upon terms favorable to your Company.

A contract with the Hudson & Manhattan Railroad, granting this Company the use of the tunnels now under

construction and certain tunnels hereafter to be constructed under the Hudson River, together with the use of valuable terminal facilities in New York, has been entered into, to become partially effective at the time of the completion of the Hudson & Manhattan line and to become further effective at such time as your Company may complete its improvements at Jersey City and avail itself of the additional facilities which the Hudson & Manhattan Company is under contract to construct.

Owing to the unsatisfactory condition of the bond market during the past year your Board has considered it inadvisable to authorize the sale of bonds which have been issued from time to time to reimburse the Treasury for capital expenditures. While recognizing the claims of the preferred shareholders to a portion of the surplus income derived from the operations of the past year, your Board has deemed it wise to conserve the cash now in the Treasury and the current income of the Company to meet obligations already incurred and continue the improvements so necessary to handle the volume of traffic offered at reasonable expense, and has therefore declared dividends on the preferred shares at the customary rate, but payable at some time in the future, thus giving the Company the use of the funds which cannot be secured on reasonable terms from other sources. This, action, your Board is sure, will inure to the ultimate benefit of the property and all of its stockholders. Dividends warrants payable ten years after their issuance will be issued to holders of the preferred stock of record at the closing of the Company's transfer books as indicated in the announcement made of the declaration of this dividend, as soon as the necessary authority therefor can be secured.

Mr. James N. Hill was, on May 22d 1907, elected a Director to fill the vacancy in the Board caused by the resignation of Mr. James J. Hill.

Mr. Ogden Mills was, on May 22d, 1907, elected a Director to fill the vacancy in the Board caused by the resignation of Mr. D. O. Mills.

Mr. G. A. Richardson was, on June 26th 1907, elected a Director to fill the vacancy in the Board caused by the death of Mr. Samuel Spencer.

Respectfully submitted by order of the Board.

F. D. UNDERWOOD, *President.*

TABLE 2.—INCOME ACCOUNT (ENTIRE SYSTEM) FOR THE YEAR ENDING JUNE 30 1907.

To Operating Expenses and Taxes—		
<i>Railroad—</i>		
Maintenance of Way and Structures	\$5,087,974 89	
Maintenance of Equipment	8,147,536 49	
Conducting Transportation	18,107,484 94	
Traffic Department Expenses	967,922 83	
General Expenses	1,269,039 37	
		\$33,579,958 52
Taxes		1,442,798 34
<i>Other Operations—</i>		
Water Routes	\$2,696,062 48	
Shipping and Coal Storage Plants	296,040 88	
Elevators, Stock Yards, etc.	152,178 87	
		3,144,282 23
Total Operating Expenses and Taxes		\$38,167,039 09
To Accrued Interest on Bonds		9,572,627 66
To Accrued Rentals of Leased Lines		1,147,501 69
To Proportions Due Leased Lines Operated on a Percentage of Earnings		169,329 79
To Accrued Interest on Equipment Trusts		602,922 26
To Accrued Interest on Mortgages		31,858 93
To Accrued Interest on Construction		21,470 84
To Accrued Sinking Funds		370,936 55
To Interest and Discounts		130,107 20
To Net Income		5,903,658 48
		\$56,117,452 40
Net Income for the Year		\$5,903,658 48
Expended for Additions and Improvements	\$1,642,028 99	
Dividends Nos. 12 and 13 on First Preferred Stock	1,915,696 00	
Dividends Nos. 5 and 6 on Second Preferred Stock	640,000 00	
		4,197,724 99
Surplus for the Year		\$1,705,933 49
By Gross Earnings—		
<i>Railroad—</i>		
Freight	\$25,114,683 18	
Coal	13,435,409 29	
Passenger	9,458,281 67	
Mail	495,457 67	
Express	1,025,093 83	
Rents	224,978 07	
Miscellaneous	1,440,209 74	
		\$51,194,113 45
<i>Other Operations—</i>		
Water Routes	\$2,232,094 14	
Shipping and Coal Storage Plants	315,614 47	
Elevators, Stock Yards, etc.	173,005 29	
		2,720,713 90
Total Gross Earnings		\$53,914,827 35
By Interest on Securities		647,113 82
By Income from Other Sources		1,555,511 32
		\$56,117,452 49

TABLE 3.—PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING JUNE 30 1907.

Balance at Credit of Profit and Loss Account June 30 1906	\$11,979,461 54
<i>Add—</i>	
Credit Balance of Income Account for Year Ending June 30 1907	1,705,933 49
Unexpended balance of amount set aside from the surplus of the year ending June 30 1903 for certain Additions and Improvements which have been completed at a cost less than the amount appropriated therefor	3,660 87
Miscellaneous Small Credits	13,883 92
	\$13,702,939 82
<i>Deduct—</i>	
Various Amounts Charged to Profit and Loss account of bad debts, including uncollectible amounts due from subsidiary companies	69,362 51
Credit Balance Carried Forward June 30 1907	\$13,633,577 31

LOUISVILLE & NASHVILLE RAILROAD COMPANY.

FIFTY-SIXTH ANNUAL REPORT—FOR THE FISCAL YEAR ENDED JUNE 30 1907.

Louisville, Ky., October 2 1907.

To the Stockholders of the Louisville & Nashville Railroad Company:

The Board of Directors of your Company respectfully submits the following report for the fiscal year ended June 30 1907:

MILEAGE.

	Miles.
I.—Lines Owned and Operated.	
(1) Owned	3,358.07
(2) Operated but Not Owned	
(a) Operated as owner of entire Capital Stock	447.04
(b) Operated under lease	119.24
(c) Operated for account of owners	214.32
(d) Operated under trackage arrangements	203.89
Total operated	984.49
Average mileage operated during the year	4,342.56
Average mileage operated during the year	4,306.33.
II.—Lines Operated Under Their Separate Organizations in Which This Company Owns a Majority of the Capital Stock or is Interested as Joint Owner or Lessee.	
Nashville Chattanooga & St. Louis Railway, less mileage used by L. & N. Railroad under trackage arrangements (a majority of the Capital Stock owned)	925.44
Central Transfer Railway & Storage Co., Louisville (one-half of the Capital Stock owned)	.67
Georgia Railroad and Dependences (interested as joint lessee)	571.00
Chicago Indianapolis & Louisville Railway (a majority of the Capital Stock owned jointly with the Southern Railway)	599.76
Louisville Henderson & St. Louis Railway, less mileage of Louisville & Nashville Railroad operated under trackage arrangements (a majority of the Capital Stock owned)	181.70
Total	2,278.5
III.—Lines Owned by This Company but Operated by Other Companies.	
Paducah & Memphis Division (leased to Nash. Chatt. & St. L. R'y at 5 per cent on cost of Road)	254.20
Less—Mileage used by this company under trackage arrangements	5.46
Total	248.74
Clarksville & Princeton Branch—Gracey, Ky., to Princeton, Ky. (leased to Ohio Valley Railway Co. at \$12,039 70 per annum)	20.70
Total mileage	269.44
Total mileage June 30 1906	6,890.57
Total mileage June 30 1907	6,841.82
Increase	48.75
Accounted for as follows—	
Additions:	
Morganfield Branch	25.33
Other additional lines and extensions operated	39.56
Additions to lines controlled not operated	11.66
Total	76.55
Deductions:	
Birmingham Southern Railroad	26.24
Sundry net deductions	1.56
Total	27.80
Net increase	48.75

BONDED DEBT.

(Including Collateral Trust Bonds.)	
Bonded Debt June 30 1906, total issue	\$174,901,500
Total thereof outstanding in hands of public June 30 1906, \$129,262,500.	
Bonds Issued:	
Unified Fifty-year 4 per cent Gold	\$1,141,000
Atlanta Knoxville & Cincinnati Division 4 per cent Gold	5,000
Paducah & Memphis Division 50-year First Mortgage Gold	57,000
Total Bonds issued	\$1,203,000
Bonds assumed through consolidation—	
The Gallatin & Scottsville Railway First Mortgage	309,000
Total Bonds issued and assumed	\$1,512,000
Less Redeemed	
For Sinking Funds—	
Evansville Henderson & Nashville Division Gold	74,000
General Mortgage Gold	427,000
Cecilia Branch	67,000
Pensacola & Atlantic Railroad First Mortgage Gold	67,000
Pensacola Division First Mortgage Gold	21,000
Matured—Maysville & Lexington North Division 7 per cent	5,000
Total redeemed	661,000
Net increase from last year	851,000
Bonded Debt June 30 1907, total issue	\$175,752,500
Less—Owned.	
In Treasury	15,395,000
Deposited in Trusts as Collateral	30,398,000
Held in Sinking Funds	1,328,000
Total	47,121,000
Total Outstanding Bonded Debt in hands of public June 30 1907	\$128,631,500
Total Outstanding Bonded Debt in hands of public June 30 1906	129,262,500
Total Decrease of Bonds outstanding in hands of public	\$631,000
Accounted for as follows:	
Bonds redeemed and purchased for Sinking Funds during the year—	
Evansville Henderson & Nashville Mortgage	\$74,000
General Mortgage	425,000
Cecilia Branch Mortgage	67,000
Pensacola Division First Mortgage	21,000
Southeast & St. Louis Second Mortgage	1,000
L. & N. RR. Co. 6 per cent Sinking Fund Mortgage	10,000
Henderson Bridge Company First Mortgage	40,000
Maysville & Lexington North Division Mortgage	5,000
Total	\$643,000
Less—Bonds sold—Louisville & Nashville-Southern, Monon Collateral, Joint	12,000
Total decrease	\$631,000

*Includes \$82,000 of bonds matured or drawn for payment not presented.

a. This does not include \$6,500,000 Three-Year 5% Unsecured Gold Notes of this company sold during year.

GENERAL RESULTS

The General Results for the year, as given in detail in Table No. I, are here summarized:

Gross Earnings	\$48,263,945 20
Less Operating Expenses, 74.14 per cen	35,781,302 54
Net Earnings from Traffic, 25.86 per cen	\$12,482,642 66
Other Income—	
From Rents	559,025 91
From Investments	810,131 14
From Various Sources	192,597 99
Total	1,561,755 04
Total	\$14,044,397 70
Deductions from Income	
Interest on Bonded Debt	\$5,934,597 67
Rent and Taxes	1,365,253 70
Sinking Funds	241,084 17
South & North Alabama RR. Surplus (Included in above)	52,940 26
Total	7,593,875 80
Net Income for the year	\$6,450,521 90
Out of which the following dividends have been declared:	
Dividend No. 55, declared December 20 1906, payable February 11 1907, 3 per cent cash	\$1,800,000 00
Dividend No. 56, declared June 20 1907, payable August 12 1907, 3 per cent cash	1,800,000 00
Total	3,600,000 00
Leaving surplus carried to Profit and Loss Account of	\$2,850,521 90
The balance to credit of Profit and Loss Account as of June 30 1907 amounts to \$20,827,512 88 For Details see Table No. II.	

GROWTH OF TRAFFIC.

The growth of traffic for the past ten years is shown by the following table:

Years.	Average Miles Operated.	Gross Earnings.	Operating Expenses.	Net Earnings.	Gross Earnings Per Mile.	Operating Expenses Per Mile.	Net Earnings Per Mile.	Percentage of Expenses to Earnings.
1897-1898	2,988.00	*\$21,996,652 82	*\$14,921,730 14	\$7,074,922 68	*\$7,361 66	*\$4,993 88	\$2,367 78	67.84
1898-1899	2,988.16	*23,759,485 69	*15,731,587 68	8,027,898 01	*7,951 21	*5,264 64	2,686 57	66.21
1899-1900	3,007.55	*27,742,378 89	*18,603,406 02	9,138,972 87	*9,224 85	*6,185 97	3,038 88	67.06
1900-1901	3,169.27	28,022,206 90	18,233,033 50	9,789,173 40	8,841 84	5,753 07	3,088 77	65.07
1901-1902	3,326.75	30,712,257 37	20,902,437 84	9,809,819 53	9,231 91	6,283 14	2,948 77	68.06
1902-1903	3,438.93	35,449,377 84	23,970,812 44	11,478,565 40	10,308 26	6,970 43	3,337 83	67.62
1903-1904	3,618.19	36,943,792 73	25,141,548 27	11,802,244 46	10,210 57	6,948 65	3,261 92	68.05
1904-1905	3,826.31	38,517,070 72	26,490,020 97	12,027,049 75	10,066.37	6,923 12	3,143 25	68.77
1905-1906	4,130.91	43,008,996 23	30,933,463 71	12,075,532 52	10,411 50	7,488 29	2,923 21	71.92
1906-1907	4,306.33	48,263,945 20	35,781,302 54	12,482,642 66	11,207 67	8,309 00	2,898 67	74.14

* Freight on Company's property included.

IMPROVEMENT ACCOUNT.

Expenditures for equipment and for improvements and additions to the property during the fiscal year, charged to Operating Expenses, are as follows:

Additional Equipment—								
Locomotives					\$337,500 00			
Passenger cars					57,560 00			
Freight cars					656,520 00			
							\$1,051,580 00	
Steam-wrecking cars					\$322 11			
New machinery for shops					24,511 37			
Fire extinguishers for Locomotives							24,833 48	
Changes in pipe line to furnish steam and power for new round house, Decatur, Ala.							664 90	
							4,526 11	
Sidings								\$1,081,604 49
Ballast								392,637 89
Buildings								51,584 86
Interlocking arrangements								459,088 70
Real Estate								23,287 12
Right of Way								12,504 83
Wire fencing for sundry persons on line of road								12,247 34
Rails—Value of the difference in weight of new steel rails laid replacing rails of lighter weight								33,708 61
Bridges								147,571 32
Telegraph lines								176,353 13
Filling Trestles								3,678 91
Tunnel Improvements								37,624 07
Coaling Facilities—								50 02
Louisville, Ky.							654 63	
Montgomery, Ala.							753 15	
Ditching Right of Way—St. Louis Division								1,407 78
Change in Alignment—M. S., 2d Division								157 87
Underpass near Salt River Bridge								5,798 12
Roadway Tools								4,335 69
Locomotive Cranes and Buckets								14,125 13
Fire Protection, various points								16,214 80
Change in Grade—								1,717 37
Nashville & Decatur Division								2,233 77
Cumberland Valley Division								430 85
Wharf Improvements—Pensacola, Fla.—Central Wharf								325 77
Re-arranging Electric lights—Covington Yards								995 80
Under-grade Crossing—Blue Grass Traction Co.—Hamilton, Ky.								3,053 90
Underpass & Fence for W. H. C. Wood—near Lexington, Ky., P. & L. Branch								469 70
Widening Fills—Alabama Mineral Division								411 46
Reduction of Grades and Completion of Double Track, Birmingham to Calera								132,000 00
Improvements at Talladega, Ala.								3,307 41
Improvements of Operated Line—Atlanta Division								7 50
New Lines—Bear Creek extension of Chenoa Branch								71,603 63
Additional Facilities—								
South Louisville, Ky.—Storage Yard					\$27,027 43			
Decatur, Ala.—Train Yard					54,587 77			
Louisville, Ky.—Yard for L. H. & St. L. Ry.					16,457 46			
New Decatur, Ala.					5 05			
South Louisville, Ky.					81 58			
Boyls, Ala.—Yard Tracks					35,756 76			
Mobile, Ala.—Yards					41,281 95			
Mobile, Ala.—Re-arranging Freight Facilities					15,812 23			
Isabella, Tenn.—Yards					21,089 69			
Anchorage, Ky.—Tracks, etc.					907 90			
Montgomery, Ala.—S. & N. A. Yards					42,218 17			
Improving Drainage, Protecting Banks, etc.								255,825 99
Sundries								17,523 39
								1,661 48
Total for year ending June 30 1907								2,965,528 75
Total charges to this account for year ending June 30 1906 amounted to								2,586,630 48
Increase								\$378,898 27

RAILS.

The rails in main track operated, except trackage rights, on June 30 1907, are shown below:

Steel Rails—		
Under 58 1/4 pounds per yard	176.89 miles	
58 1/4 pounds per yard	796.87 miles	
60 to 65 pounds per yard	298.24 miles	
68 pounds per yard	65.15 miles	
70 pounds per yard	1,405.67 miles	
80 pounds per yard	1,379.37 miles	
85 pounds per yard	12.00 miles	
Iron Rails	4,134.19 miles	
	4.48 miles	
Total	4,138.67 miles	
To which add—		
Operated under trackage arrangement	203.89 miles	
Total mileage owned and operated	4,342.56 miles	

The rails in main track owned, operated by other companies, on June 30 1907, are shown below:

Steel Rail—		
56 pounds per yard	132.80 miles	
58 1/4 pounds per yard	2.56 miles	
60 pounds per yard	114.68 miles	
68 pounds per yard	4.16 miles	
85 pounds per yard	20.70 miles	
Less portion of Paducah & Memphis Division used by L. & N. Railroad under trackage arrangements	274.90 miles	
	5.46 miles	
Total mileage operated by other companies	269.44 miles	

PAYMENTS ON ACCOUNT OF SINKING FUNDS, 1907-08.

Newport & Cincinnati Bridge Co.	July 1 1907	\$14,000
Henderson Bridge Co.	August 1 1907	8,400
Pensacola Division	September 1 1907	21,000
Louisville & Nashville—South & North Alabama Railroad Trust Deed	October 1 1907	20,000
Evansville Henderson & Nashville Division	December 1 1907	82,500
Pensacola & Atlantic Railroad	February 1 1908	77,000
General Mortgage	June 1 1908	468,600
Total		\$691,500

GUARANTIES.

The Company has guaranteed, by endorsement or by agreement, the following obligations of other Companies:
 South & North Alabama Railroad Company Consolidated Mortgage 5 per cent Gold Bonds—

	Bonds Issued.	Annual Charge.
Endorsement covers principal and interest.....	\$8,000,000 00	\$400,000 00
Louisville & Nashville Terminal Company First Mortgage 4 per cent Gold Bonds—		
Endorsement, joint with Nashville Chattanooga & St. Louis Railway, covers principal and interest of bonds issued.....	2,535,000 00	101,400 00
Nashville & Decatur Railroad, Rent Dividend—		
Under lease of this property the payment of 7½ % annual dividend to stockholders is guaranteed as rent. Amount of Capital Stock \$3,553,750 00.....		266,531 25
Terminal Railroad Association of St. Louis—		
One-fourteenth of interest on \$18,400,000 General Mortgage 4 % Gold Bonds now outstanding—one year's interest, \$736,000; L. & N. R'd Co.'s proportion, one-fourteenth.....		52,571 43
Georgia Railroad Lease—		
The Company is liable jointly with the Atlantic Coast Line Railroad Company for the yearly rental, under the lease of the Georgia Railroad, amounting to \$600,000, in the proportion of one-half each. This company's proportion per annum.....		300,000 00

EQUIPMENT.

CHARGES TO OPERATING EXPENSES.

LOCOMOTIVES.

Maintenance of Equipment—		
Repairs.....	\$2,664,591 71	
To replace seven (7) destroyed.....	92,500 00	
	\$2,757,091 71	
Improvement Account—		
Thirty-eight (38) new locomotives.....	565,978 52	
Less: Charged to Operating Expenses during previous year and unexpended as of June 30 1906.....	\$126,854 53	
Expended in excess of amount charged to Operating Expenses during year ended June 30 1907.....	101,623 99	
	228,478 52	
	337,500 00	
Making a total of.....		\$3,094,591 71

PASSENGER CARS.

Maintenance of Equipment—		
Repairs.....	\$516,378 78	
To replace nine (9) destroyed and changed.....	44,840 00	
	\$561,218 78	
Improvement Account—		
Ten (10) cars.....	66,465 57	
Less: Charged to Operating Expenses during previous year and unexpended as of June 30 1906.....	36,724 36	
	29,741 21	
Unexpended June 30 1907.....	27,818 79	
	57,560 00	
Making a total of.....		618,778 78

FREIGHT CARS.

Maintenance of Equipment—		
Repairs (including cost of changing two cars).....	\$2,629,087 13	
To replace one thousand, three hundred, fifty-nine (1,359) cars destroyed, changed and sold.....	948,980 00	
	\$3,578,067 13	
Improvement Account—		
One thousand and forty-nine (1,049) cars.....	753,417 83	
Less: Charged to Operating Expenses during previous year and unexpended as of June 30 1906.....	\$11,176 32	
Unexpended balance of Reserve carried in Accounts Awaiting Distribution on June 30 1906.....	5,614 97	
Expended in excess of amount charged to Operating Expenses during year ended June 30 1907.....	80,106 54	
	96,897 83	
	656,520 00	
Making a total of.....		4,234,587 13
Total charged to Operating Expenses.....		\$7,947,957 62
The above charges fully maintain and perpetuate the Locomotive, Passenger and Freight Car Equipment.....		

CHARGES TO ACCOUNTS OTHER THAN OPERATING EXPENSES.

COST OF ROAD AND EQUIPMENT.

Locomotives—		
60 Locomotives.....	\$894,808 48	
Four (4) acquired with Chesapeake & Nashville R'y.		
Three (3) acquired with Yellow River Railroad.		
(Values included in purchase price of roads.)		
	\$894,808 48	
Passenger Cars—		
Ten (10) cars.....	67,792 37	
Four (4) acquired with Chesapeake & Nashville R'y.		
(Value included in purchase price of road.)		
Freight Cars—		
One thousand, seven hundred and seventy-five (1,775) cars.....	1,309,612 59	
Thirty-eight (38) acquired with Chesapeake & Nashville Ry.		
Thirty-one (31) acquired with Yellow River Railroad.		
(Values included in purchase price of roads.)		
Total.....		\$2,362,213 44
IMPROVEMENTS AND BETTERMENTS.		
Eight (8) new Locomotives.....	106,493 18	
SOUTH & NORTH ALABAMA RAILROAD COMPANY.		
Seven (7) new Locomotives.....	109,219 06	215,712 24
Total.....		\$2,577,925 68

	Locomotives.	Passenger Cars.	Freight Cars.	Roadway Cars.
Louisville & Nashville Railroad.				
On hand July 1 1906.....	725	535	36,386	1,289
Bought and built.....	120	33	4,252	*4
Changed.....			2	198
Destroyed, sold, and changed.....	845	568	40,640	1,491
	7	9	1,358	39
On hand.....	838	559	39,282	1,452
South & North Alabama Railroad.				
On hand July 1 1906.....	20		247	
Bought and built.....	7			
Destroyed.....	27		247	
			1	
On hand.....	27		246	

*Acquired with the Chesapeake & Nashville Railway.

MAINTENANCE OF EQUIPMENT.

All locomotives and passenger or freight cars destroyed or sold are replaced by equipment of the present standard and the cost of such new equipment is charged to Operating Expenses—Locomotive, Passenger Car and Freight Car Repairs. The average cost per mile for repairs to equipment for the past ten years has been as follows:

	1897-1898.	1898-1899.	1899-1900.	1900-1901.	1901-1902.	1902-1903.	1903-1904.	1904-1905.	1905-1906.	1906-1907.
	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.
Locomotive repairs, per mile.....	5.141	5.563	6.187	6.043	6.226	6.560	6.962	6.747	9.102	7.771
Passenger car repairs, per mile.....	1.308	1.412	1.853	1.401	1.429	1.410	1.267	1.290	1.646	1.546
Freight car repairs, per mile.....	.717	.659	.675	.712	.700	.800	.889	.820	.865	1.049

All the equipment of the Company is provided with both air-brakes and automatic couplers, except freight equipment, which is equipped complete with automatic couplers only. The number of freight cars equipped with air-brakes on June 30 1907 is 38,006, or 96.15 per cent.

The following table shows the equipment on hand at the close of each of the past ten fiscal years:

Louisville & Nashville Railroad and Operated Lines.

	1897-1898.	1898-1899.	1899-1900.	1900-1901.	1901-1902.	1902-1903.	1903-1904.	1904-1905.	1905-1906.	1906-1907.
Locomotives	547	546	557	563	589	605	676	705	745	865
Passenger cars	446	450	447	456	462	471	501	515	535	559
Freight cars	20,375	21,285	23,402	23,663	24,880	28,118	30,905	33,241	36,633	39,528
Roadway cars	502	519	525	534	586	705	779	1,149	1,289	1,452

RESERVE ACCOUNT.

CHARGES MADE THROUGH OPERATING EXPENSES.

Balance unexpended June 30 1906 (not including \$200,000 reserve for Depreciation of Mine Tracks—see separate account below)		\$258,540 52	
Unexpended balance of Reserve carried in Accounts Awaiting Distribution on June 30 1906		5,614 97	\$264,155 49
Add—Appropriations during present fiscal year:			
For Rolling Stock—			
Locomotives—			
To replace 7 destroyed	\$92,500 00		
Improvement account	337,500 00		
Passenger Cars—		\$430,000 00	
To replace 9 destroyed and changed	\$44,840 00		
Improvement account	57,560 00		
Freight Cars—		102,400 00	
To replace 1,359 destroyed, changed and sold	\$948,980 00		
Improvement account	656,520 00		
		1,605,005 00	
			2,137,900 00
Against which there have been charged during the year—			\$2,402,055 49
For Locomotives		\$658,478 52	
Passenger Cars		111,305 57	
Freight Cars		1,702,397 83	
			2,472,181 92
Balance expended in excess of appropriation			70,126 43
Accounted for as follows			
For Locomotives	\$101,623 99		
Freight Cars	80,106 54		
	\$181,730 53		
Less—			
Passenger Cars, unexpended	27,818 79		
Balance Dr. (Included in Improvements and Betterments on Balance Sheet)		\$153,911 74	
Deduct—			
General Purposes unexpended	\$69,099 13		
Improvements, Bloomfield Branch, unexpended	14,686 18		
		83,785 31	
			70,126 43

RESERVE ACCOUNT—DEPRECIATION OF MINE TRACKS.

CHARGES MADE TO PROFIT AND LOSS ACCOUNT.

Balance unexpended June 30 1906	\$200,000 00
Appropriation made during present fiscal year	100,000 00
Balance unexpended	\$200,000 00

CINCINNATI-ATLANTA LINE.

The reduction of grades between Corbin and Saxton, Ky., has been completed and work commenced on the reduction of grades and construction of double track between Corbin and Livingston. The completion of this work will give the Company double track between Sinks and Corbin, a distance of about 35 miles, together with maximum grades of .65 per cent compensated for curvature in both directions, between Sinks and Saxton, with the exception of one grade 4.10 miles long opposed to south-bound traffic, between Hazel Patch and East Bernstadt, which will be operated as a "Pusher Grade."

THE GALLATIN & SCOTTSVILLE RAILWAY.

A company was organized under the name of "The Gallatin & Scottsville Railway," which purchased the property and franchises of the roads formerly known as the Chesapeake & Nashville Railway and the Middle & East Tennessee Central Railway. Bonds of the Gallatin & Scottsville Railway were issued and are held in the Treasury, amounting to \$309,000, covering the cost of the property as of July 1 1906. The property, rights and franchises of this company were conveyed to the Louisville & Nashville Railroad Company by deed dated Jan. 18 1907.

As indicated in the previous year's report, the roads have been operated as part of the L. & N. System from July 1 1906.

MORGANFIELD & ATLANTA RAILROAD.

This railroad, extending from Providence, Ky., to Morganfield, Ky., a distance of 25.33 miles, the entire capital stock of which is owned by this Company, was completed and placed in operation as part of the L. & N. System on April 1 1907. Bonds will be issued and delivered to the L. & N. RR. Co. to reimburse it for cost of construction.

SALE OF BIRMINGHAM SOUTHERN RAILROAD.

This Company and the Southern Railway Company, being owners of one-half each of the capital stock of the Birmingham Southern Railroad, sold it on July 1 1906 to the Tennessee Coal Iron & Railroad Company. In this sale the line from Woodstock to Blocton was excepted, and a company, organized under the name of the "Woodstock & Blocton Railway," took title thereto and the stock in this company was retained, one-half each, by the L. & N. Railroad and the Southern Railway, the operation of the road to continue as heretofore by the Louisville & Nashville Railroad Company and Alabama Great Southern Railroad Company under trackage arrangements.

NEW GENERAL OFFICE BUILDING.

The new general office building, an eleven-story, fire-proof structure, was completed during the year, and has been occupied by the officers and employees since January 1907.

INCREASE IN OPERATING EXPENSES.

The continued increased cost of labor and materials and the necessity for employing a much larger force to enable the Company to promptly handle the increase in business, the unusual repairs made necessary on account of the heavy damages inflicted on the Company's property by the severe storm along the Gulf Coast, which occurred in September 1906, will explain in a great measure the increase in Operating Expenses.

SALE OF LOUISVILLE & NASHVILLE RAILROAD COMPANY THREE-YEAR 5% GOLD NOTES.

In February last the Directors of your Company deemed it advisable to place the Company in funds so that it could complete the construction work and improvements under way and authorized, as well as to place the Company in a strong financial position, and, as it was unable to dispose of any of its treasury bonds to advantage, on account of there being no demand whatever for railroad bonds of any character, they deemed it advisable to issue and sell \$6,500,000 of the Company's Three-Year 5 per cent Gold Notes, to bear interest from March 1 1907. The notes were disposed of at 96½ less 1 per cent commission, thus netting to the Company \$6,207,500, the discount on the same being charged to Profit and Loss.

Attention is called to the report of the Comptroller for the details of the year's business.

The Board acknowledges the fidelity and efficiency with which the officers and employees of the Company have served its interests.

For the Board of Directors,

H. WALTERS,
Chairman.
M. H. SMITH,
President.

HASKINS & SELLS,
 CERTIFIED PUBLIC ACCOUNTANTS.
 30 Broad Street, New York.

New York, September 28 1907.

Henry Walters, Esq., Chairman of the Board, Louisville & Nashville Railroad Company, 71 Broadway, New York:

We have examined the books and accounts of the Louisville & Nashville Railroad Company for the fiscal year ended June 30 1907, have verified all cash and security balances by actual count, or comparison with receipts and certificates of deposit, and have examined carefully all details of earnings and expenses and all charges to capital accounts, and We hereby certify that the accompanying General Balance Sheet and statements of Income and Profit and Loss are correct, and truthfully set forth, respectively, the financial condition June 30 1907 and the results from the operation for the period shown.

HASKINS & SELLS,
 Certified Public Accountants.

REPORT OF THE COMPTROLLER.

ACCOUNTING DEPARTMENT LOUISVILLE & NASHVILLE RR CO.,

Louisville, Ky., September 30 1907.

Mr. M. H. Smith, President:

Dear Sir.—I submit herewith statements showing the financial condition of the Company, and the results from operation for the year ended June 30 1907, as shown in the following tables:

- No. I.—Income Account.
- No. II.—Profit and Loss.
- No. III.—General Balance Sheet.
- No. IV.—Bonded Debt and Estimated Interest Charges for 1907-1908.
- No. V.—Securities Owned by the Company.
- No. VI.—Cost of Road and Equipment.
- No. VII.—Gross Earnings, Operating Expenses, and Net, by Months.
- No. VIII.—Total Earnings, Operating Expenses, and Net.
- No. IX.—Operating Expenses, in Detail.
- No. X.—Passenger and Freight Statistics.

Very respectfully,

CHARLES HAYDON,
 Comptroller.

TABLE NO. I.—INCOME ACCOUNT.

Income From Traffic:			
Earnings—			
From freight traffic	.....	\$85,235,787 02	
From passenger traffic	.....	10,417,469 53	
From transportation of mails	.....	883,433 72	
From express traffic	.....	1,078,600 84	
From miscellaneous sources	.....	648,654 04	
Total earnings	.....		\$48,263,945 26
Expenses—			
For maintenance of way and structures	.....	\$8,065,898 45	
For maintenance of equipment	.....	8,709,610 55	
For conducting transportation—traffic	.....	863,226 61	
For conducting transportation—operation	.....	17,009,121 13	
For general expenses	.....	1,033,445 74	
Total operating expenses, 74.14 per cent.	.....		35,781,302 54
Net earnings from traffic, 25.86 per cent.	.....		\$12,482,642 66
Income From Rents:			
Clarksville & Princeton Division	.....	\$12,039 70	
Paducah & Memphis Division	.....	206,363 65	
St. Louis Property	.....	18,629 47	
Equipment	.....	275,943 56	
Various Sources	.....	46,049 58	
			\$559,035 91
Income From Investments:			
Louisville & Nashville Terminal Co., Interest on Bonds	.....	\$101,359 35	
Chicago Indianapolis & Louisville Railway Stock	.....	224,571 50	
Jackson Lumber Company Bonds	.....	30,166 67	
Nashville Chattanooga & St. Louis Railway Stock	.....	394,768 00	
Charleston Terminal Company Bonds	.....	12,000 00	
Sundry Bonds and Stocks	.....	47,265 62	
			\$10,131 14
Interest From Various Sources	.....	192,597 99	
			1,861,755 02
			\$14,044,397 76
From which Deduct:			
Charges against Income—			
Interest on bonded debt	.....	\$5,964,587 67	
Rents paid for lease of Roads—			
Guaranteed dividend on Nashville & Decatur Railroad Stock	.....	\$118,061 25	
Rents of other Roads	.....	38,581 58	
		156,642 83	
Taxes	.....	1,208,610 87	
			7,299,861 37
Sinking Fund Charges—			
Direct payments for which no bonds are received	.....	\$122,100 00	
Accrued Premiums on Bonds drawn for Sinking Funds	.....	51,100 00	
Accrued interest on Co.'s Bonds in Sinking Fund	.....	67,884 17	
		\$241,084 17	
South & North Alabama Railroad Company surplus for year, included in above	.....	52,940 26	
			294,024 43
Net income for the year	.....		7,895,875 86
Less:			
Cash dividend, 3 per cent, payable February 11 1907	.....	\$1,800,000 00	
Cash dividend, 3 per cent, payable August 12 1907	.....	1,800,000 00	
			3,600,000 00
Surplus after payment of dividends, transferred to the credit of Profit and Loss Account	.....		\$2,850,521 86

TABLE NO. II.—PROFIT AND LOSS ACCOUNT

CREDITS.			
Balance to the credit of this account June 30 1906	.....	\$18,130,045 82	
Sinking Fund Payments for which no bonds are received, charged to Income Account	.....	122,100 00	
Interest accrued on Company's Bonds in Sinking Fund	.....	67,884 17	
Refunded by Pullman Company for excess mileage paid on sleeping cars prior to June 30 1906	.....	48,282 08	
Sale of lands in State of Alabama	.....	10,824 64	
Unpaid Amounts on Audited Pay-Rolls and Vouchers prior to July 1 1902, closed off	.....	17,763 94	
Amount of consideration for lots sold in Pensacola, Fla. (Cost charged to Profit and Loss Account when purchased)	.....	3,000 00	
Sundry credits and amounts realized from various sources	.....	10,335 48	
Net Surplus from operation for year ended June 30 1907, transferred from Income Account	.....	2,850,521 86	
			\$21,260,758 06
DEBITS.			
Premium on bonds redeemed for Sinking Funds	.....	\$8,300 00	
Bonds purchased by Trustee of Sinking Funds brought to par on Ledger	.....	1,004 35	
Taxes for prior years paid this year	.....	4,284 28	
Amount of this Company's proportion of deficit from operation of Georgia Railroad Lease	.....	18,975 05	
Discount on obligations sold during the year—			
L. & N.-Sou. Monon Collateral 4 per cent Joint Bonds	.....	\$905 66	
Three-Year 5 per cent Gold Notes	.....	292,500 00	
			293,405 66
Reserve for depreciation of mine tracks	.....	100,000 00	
Sundry debits from various sources	.....	7,275 83	
Balance to credit of Profit and Loss Account June 30 1907	.....	20,827,512 88	
			\$21,260,758 06

TABLE NO. III.
GENERAL BALANCE SHEET.

Dr.		ASSETS, ETC.	
Cost of Road, Equipment, &c. (Table VI.)			\$166,667,128 94
Real Estate, Quarry and Timber Lands			1,038,815 06
Improvements and Betterments			3,469,784 05
Investments (Table V.)—			
Bonds of Other Companies—			
In Treasury	\$3,485,057 41		
In Trusts and Sinking Funds	10,267,000 00	\$13,752,057 41	
Stocks of Other Companies—			
In Treasury	\$4,364,688 72		
In Trusts	11,612,305 85	15,976,994 57	
Advances to Subsidiary Companies			29,729,051 98
Material and Supplies			4,698,718 29
Material in Private Sidings			5,666,435 72
Uninvested Sinking Funds and Deposits with Mortgage Trustees			805,490 96
Current Assets—			35,882 96
Cash on hand	\$3,728,221 72		
Cash on special deposit	4,352,890 00		
Cash on deposit to pay coupons and dividends	114,080 23		
Cash on deposit to pay matured bonds	6,000 00		
Remittances in transit		8,201,191 95	
Due from agents and conductors		654,899 29	
Traffic balances due from other companies		1,383,885 82	
Bills receivable, less reserve for doubtful notes		340,703 43	
Accounts receivable, less reserve for doubtful accounts		778,785 00	
		2,542,141 76	
Accounts Awaiting Distribution			13,901,607 25
Unadjusted Claims, less Reserve for this Company's Proportions			683,285 79
Contingent Assets—			37,510 45
South & North Alabama Railroad Co. 5 per cent consolidated Gold Bonds outstanding, endorsed by Louisville & Nashville Railroad Co.	\$3,247,000 00		
Bills payable—Endorsed by Louisville & Nashville Railroad Co.	7,000 00		
			3,254,000 00
			\$229,987,712 45
The Balance Sheet does not include bonds of the Company's issues which are free in its Treasury—for details see Table V.			
CR		LIABILITIES, ETC.	
Capital Stock—			\$59,916,500 00
Full shares outstanding			720 00
Fractional shares outstanding			82,780 00
Original stock and subsequent stock dividends unissued			
Bonded Debt Outstanding (Table IV.)			\$60,000,000 00
Bills Payable—Three-Year 5 per cent Gold Notes, due March 1 1910 (unsecured)			128,549,500 00
Current Liabilities—			6,500,000 00
Bonds due and unpaid (Table IV.)		82,000 00	
Agents' drafts		250,142 38	
Pay-rolls—			
June 1907, audit unpaid	\$2,152,636 72		
May 1907 and prior audits unpaid	183,235 20		
Vouchers and accounts payable		2,335,871 92	
Interest and rental due and unpaid		2,369,232 90	
Interest and rental accrued but not due		1,314,339 47	
Interest accrued but not due on three-year Gold Notes		824,456 67	
Dividends due and unpaid		108,333 33	
Dividends payable August 12 1907		50,638 10	
Taxes accrued but not paid		1,800,000 00	
Unpresented mileage and excess baggage coupons		632,384 46	
Traffic balances due to other companies		147,150 42	
Other accounts accrued		545,946 90	
		6,400 00	
Reserve Account—			10,466,896 55
Balance unexpended		83,785 31	
For Doubtful Accounts (in excess of amounts specifically applied on Asset side)		6,017 71	
			89,803 02
Reserve Account—Depreciation of Mine Tracks—amount unexpended			300,000 00
Contingent Liabilities—			
South & North Alabama Railroad Co. 5 per cent consolidated Gold bonds outstanding, endorsed by Louisville & Nashville Railroad Co.	\$3,247,000 00		
Bills payable—Endorsed by Louisville & Nashville Railroad Co.	7,000 00		
			3,254,000 00
Profit and Loss—			20,827,512 88
Excess of assets over liabilities			
			\$229,987,712 45

TABLE NO. IV.

BONDED DEBT LOUISVILLE & NASHVILLE RAILROAD CO. AND SUBSIDIARY LINES JUNE 30 1907 AND ESTIMATED INTEREST CHARGES FOR YEAR 1907-1908.
(Including also Guaranteed Dividends on Stock of Nashville & Decatur Railroad.)

Mortgages on Railroads.	Authorized.	Issued.	Redeemed or Drawn for Payment.	Owned by L. & N. RR. Company.	Outstanding in Hands of Public.	Maturity.	Interest %	Coupons Due.	Est. Int. Charge for Year 1907-08.
Lou. Clin. & Lex. Ry., 2d Mortgage	\$1,000,000	\$1,000,000	\$108,000		\$892,000	Oct. 1 1907	7	April 1, Oct. 1	\$15,610
Yellow River R.R., 1st Mortgage	150,000	150,000	10,000	\$140,000		Jan. 1 1919	4	Jan. 1, July 1	
Evans, Hend. & Nash. Div., 1st M., G'd.	2,400,000	2,400,000	875,000		1,525,000	Dec. 1 1919	6	June 1, Dec. 1	88,875
Pensacola Division, 1st Mtge., Gold	600,000	600,000	215,000	30,000	355,000	Mch. 1 1920	6	Mch. 1, Sept. 1	20,300
Southeast & St. L. Div., 1st M., Gold	3,000,000	3,000,000			3,000,000	Mch. 1 1921	6	Mch. 1, Sept. 1	210,000
Pens. & Atlantic R.R., 1st M., Gold	3,000,000	3,000,000	735,000	741,000	1,523,000	Aug. 1 1921	6	Feb. 1, Aug. 1	91,380
New Ori. & Mobile Div., 1st M., Gold	5,000,000	5,000,000			5,000,000	Jan. 1 1930	6	Jan. 1, July 1	300,000
General Mortgage, Gold	20,000,000	12,597,000	5,510,000	29,000	1,000,000	June 1 1930	6	June 1, Dec. 1	60,000
The Gallatin & Scottsville Ry., 1st M., G.	500,000	309,000		309,000		July 1 1931	4	Jan. 1, July 1	421,350
Henderson Bridge Co., 1st Mtg., Gold	2,000,000	2,000,000	5,000	623,000	1,372,000	Sept. 1 1931	6	Mch. 1, Sept. 1	80,120
Lou. Clin. & Lex. Ry., Gen. Mtg., Gold	7,000,000	3,258,000			3,258,000	Nov. 1 1931	4 1/2	May 1, Nov. 1	146,610
First Mortgage, fifty-year, Gold	3,500,000	1,764,000		15,000	1,749,000	May 1 1937	5	May 1, Nov. 1	87,450
Birmingham Min. RR., 1st Mtg., Gold	5,000,000	3,929,000		3,929,000		Nov. 1 1937	5	May 1, Nov. 1	
Nash. Flor. & Shef'd Ry., 1st M., Gold	2,500,000	2,098,000		100,000	1,998,000	Aug. 1 1937	5	Feb. 1, Aug. 1	99,800
Alabama Mineral R.R., 1st Mtg., Gold	3,150,000	3,150,000		3,150,000		July 1 1940	4	Jan. 1, July 1	
Unified, fifty-year, Gold	75,000,000	60,136,000	17,000	23,471,000	36,648,000	July 1 1940	4	Jan. 1, July 1	1,465,920
Newp. & Clin. Bridge Co., Gen. M., Gold	1,500,000	1,400,000			1,400,000	July 1 1945	4 1/2	Jan. 1, July 1	63,000
L. & N. and M. & M. Ry., 1st M., Gold	3,000,000	4,000,000			4,000,000	Sept. 1 1945	4 1/2	Mch. 1, Sept. 1	180,000
L. & N., Pad. & Mem. Div., 1st M., Gold	5,000,000	4,835,000		4,835,000		Feb. 1 1946	4	Feb. 1, Aug. 1	
Atl. Knox. & Nor. Ry., 1st Mtg., Gold	1,500,000	1,000,000		1,000	999,000	Dec. 1 1946	5	June 1, Dec. 1	49,950
Atlanta Knoxv. & Clin. Div., Gold	50,000,000	19,160,000		9,160,000	10,000,000	May 1 1955	4	May 1, Nov. 1	400,000
Southeast & St. Louis Div., 2d M., Gold	3,000,000	3,000,000		2,000	2,998,000	Mch. 1 1980	3	Mca. 1, Sept. 1	89,940
Kentucky Central Ry., 1st Mtg., Gold	7,000,000	6,742,000		44,000	6,698,000	July 1 1987	4	Jan. 1, July 1	267,320
Atl. Knox. & Nor. Ry., 1st Con. M., Gold	2,280,000	1,280,000	780,000		500,000	Mch. 1 2002	4	Mch. 1, Sept. 1	20,000
	\$210,580,000	\$147,307,000	\$8,256,000	\$46,580,000	\$92,471,000				\$4,158,225
Real Estate Mortgage.									
St. Louis Property, 20-year, 1st M., Gold	\$650,000	\$617,000			\$617,000	Mch. 1 1916	5	Mch. 1, Sept. 1	\$30,850
Collateral Trust Bonds.									
Lou. & Nash. Sinking Fund, Gold	\$2,000,000	\$2,000,000	\$40,000	\$86,000	\$1,874,000	April 1 1910	6	April 1, Oct. 1	\$112,440
Five-twenty Coll. Trust of 1903	30,000,000	23,000,000			23,000,000	April 1 1923	4	April 1, Oct. 1	929,000
First Mortgage Trust, Gold	7,000,000	5,129,000		424,000	4,705,000	Nov. 1 1931	5	May 1, Nov. 1	235,250
L. & N. Sou. Monon Collateral Joint, Gold, L. & N. Proportion	7,750,000	5,913,500		31,000	5,882,500	July 1 1952	4	Jan. 1, July 1	235,300
	\$46,750,000	\$36,042,500	\$40,000	\$541,000	\$35,461,500				\$1,502,990
Total Interest-Bearing Bonded Debt L. & N. RR. Co.	\$257,980,000	\$183,966,500	\$8,296,000	\$47,121,000	\$128,549,500				\$5,692,065

Mortgages on Railroads.	Authorized.	Issued.	Redeemed or Drawn for Payment.	Owned by L. & N. RR. Company.	Outstanding in Hands of Public.	Maturity.	Interest %	Coupons Due.	Est. Int. Charge for Year 1907-08.
<i>Bonds Outstanding, Matured or Drawn for Sinking Funds, Not Presented.</i>									
Alabama & Fla. RR. (old Co.), 1st Mtg.					\$2,000	1867			
Mobile & Montgomery Ry., Income Bds.					4,000	Jan. 1 1890			
City of Lou., Lebanon Branch Exten'n					1,000	Oct. 15 1893			
Lou. Clin. & Lex. Ry., 1st Mortgage					2,000	Jan. 1 1897			
Consolidated Mortgage					6,000	April 1 1898			
General Mortgage, Gold					2,000	June 1 1906			
Pensacola Division, 1st Mortgage, Gold					1,000	Sept. 1 1906			
Henderson Bridge Co., 1st Mtg., Gold					5,000	Sept. 1 1906			
Evans, Hen. & Nash. Div., 1st M., Gold					3,000	Dec. 1 1906			
General Mortgage, Gold					56,000	June 1 1907			
Total Bds. due & unpaid, L. & N. RR.					\$82,000				
<i>Bonds of Subsidiary Company Outstanding, Matured, not Presented.</i>									
Nashville & Decatur RR., 1st Mtg.					\$8,000	July 1 1900			
<i>Mortgage on Railroads Operated, Controlled Through Ownership of Capital Stock.</i>									
Bay Minette & Ft. Morgan RR., 1st M.G.	\$500,000	\$225,000		\$225,000		July 1 1930	4	Jan. 1, July 1	
Owensboro & Nashv. Ry., 1st M., Gold	2,000,000	1,200,000		1,200,000		Nov. 1 1931	6	May 1, Nov. 1	
	\$2,500,000	\$1,425,000		\$1,425,000					
<i>Mortgages on Railroad not Owned but Operated by L. & N. Railroad.</i>									
So. & No. Alabama RR. 2d Mtg., Gold	\$2,000,000	\$2,000,000		\$2,000,000		April 1 1910	6	April 1, Oct. 1	
So. & No. Alabama RR., Cons., Gold	10,000,000	8,000,000		4,753,000	\$3,247,000	Aug. 1 1936	5	Feb. 1, Aug. 1	\$162,350
So. & No. Alabama RR., Imp. 5%, Gold	2,000,000	1,920,000		1,920,000		Aug. 1 1936	5	Feb. 1, Aug. 1	
	\$14,000,000	\$11,920,000		\$8,673,000	\$3,247,000				\$162,350
<i>Mortgage on Property Not Owned but Operated by L. & N. Railroad.</i>									
Y Louisville & Nashv. Term. Co., 1st M., G. Stock on which Dividend is Guaranteed.	\$3,000,000	\$2,535,000		\$2,535,000		Dec. 1 1952	4	June 1, Dec. 1	
Nashville & Decatur Railroad	\$3,553,750	\$3,553,750		\$1,979,600	\$1,574,150	Guaranteed by L. & N.	7½	Jan. 1, July 1	\$118,061
Total estimated interest charges, 1907-08									\$5,972,476

* Of the L. & N. proportion of the outstanding bonds of this issue, there are \$1,464,500 which are registered as to both principal and interest, and the interest thereon is payable quarterly, on January 1, April 1, July 1 and October 1.
 x Principal and interest guaranteed by Louisville & Nashville Railroad Company.
 y This property is operated jointly by this Company and the Nashville Chattanooga & St. Louis Railway, the principal and interest being jointly guaranteed by the two railroad companies.

TABLE NO. V.—SECURITIES OWNED.

BONDS.	In Treasury.		In Trusts.							In Sink'g Funds		TOTAL.
	L. & N. Issues.	Other Issues	Central Trust Co., Col- lateral for Unifed 50-Year 4% Gold Bonds	Farmers' Loan & Trust Co. Colateral for 5% First Mortgage Trust Gold Bonds.	United States Trust Co., Colateral Trust for 5% Gold Bonds of 1903.	Farmers' Loan & Trust Co. Colateral for Georgia RR. Lease.	Union Trust Co. Col- lateral for L. & N. 6% Sinking Fund Bonds.	Central Trust Co., Trustee L. & N. M. & M. 4% Bonds	Smithers, Whitehouse & Butler, Trustees Southeast. & St. Louis Ry. Mortgages.	Union Trust Co., Trust- ee L. & N. 6% Sinking Fund Bonds.	Central Trust Co., Trustee Harrison Bridge Co. 1st Mort.	
<i>Louisville & Nashville Issues.</i>												
Yellow River RR. 1st M., 4%	\$140,000											140,000 00
Pensacola Div. 1st Mort., Gold, 6%	30,000											30,000 00
Pensacola & Atlantic, 1st Mtg., Gold, 6%	239,000			500,000								741,000 00
General Mortgage, Gold, 6%	29,000									2,000		29,000 00
Gallatin & Scottsville Ry., 1st Mtg., Gold, 4%	309,000											309,000 00
Henderson Bridge Co., 1st Mtg., 6%	15,000										623,000	623,000 00
First Mtg., 5% 50-year, Gold												15,000 00
Birmingham Mineral, 1st Mtg., 5%				3,929,000								3,929,000 00
Nash. Flor. & Sheffield, 1st Mtg., Gold, 5%	100,000											100,000 00
Alabama Mineral RR., 4%	4,855,000		3,150,000		18,200,000					13,000	403,000	3,150,000 00
Unifed, 50-year, 4%, Gold Mtg.												23,471,000 00
L. & N., P. & M. Div., 50-year 4% Gold, 1st	217,000				4,619,000							4,836,000 00
Atl. Knox. & Nor. 1st Mtg., 5% Gold	1,000											1,000 00
Atl. Knox. & Cin. Div. 4% Gold	9,160,000											9,160,000 00
Southeast & St. L. Div., 2d Mtg., Gold								2,000				2,000 00
Kentucky Cent., 1st Mtg., Gold, 4%							4,000	1,000	39,000			44,000 00
L. & N., 6% Sinking Fund, Gold									86,000			86,000 00
5% 1st Mort. Trust, Gold	269,000								155,000			424,000 00
L. & N.-Sou., Monon, Coll., 4% Joint-L. & N. half	31,000											31,000 00
Total L. & N. Issues (Table IV.)	15,395,000		3,150,000	3,929,000	23,319,000			4,000	16,000	685,000	623,000	47,121,000 00
<i>Issues of Other Companies.</i>												
Bay Minette & Ft. Morgan RR., 1st Mtg., 4% Gold		225,000 00										225,000 00
Carrollton & Worthville RR. Co., 5%		24,100 00										24,100 00
Charleston Terminal Co., 50-yr., 4% Gold		300,000 00										300,000 00
Cent. Transfer Ry. & Storage Co., 5%		10,000 00										10,000 00
City of Bowling Green, 5%		3,000 00										3,000 00
Elkton & Guthrie RR., 1st Mtg., 5%		25,000 00										25,000 00
Jackson Lumber Co., 5% Gold		550,000 00										550,000 00
L. & N. Terminal Co., 50-year, Gold, 4%		35,000 00			2,500,000							2,535,000 00
Monroe RR., 1st Mtg., 4%		34,000 00										34,000 00
Muhlenburg County, Ky., 5% refunding		25,000 00										25,000 00
Nash. Chat. & St. Louis Ry. Issues		66,000 00										66,000 00
National Coal & Iron Co., 5%		71,000 00										71,000 00
Owensboro & Nash. Ry., 1st Mtg., 6%				1,200,000								1,200,000 00
South & North Ala. RR., 5% Con. Mtg., Gold		186,000 00			4,045,000	500,000					22,000	4,753,000 00
South & North Ala. RR., Imp. 5%, Gold		1,920,000 00										1,920,000 00
South & North Ala. RR., 2d Mtg., 6%, Gold							2,000,000					2,000,000 00
Sloss Iron & Steel Co., 1st M., 6%		43,000 00										43,000 00
Sundry Other Bonds & Scrip		2,930 94										2,930 94
Total Bonds of other Companies owned		3,520,030 94		1,200,000	6,545,000	500,000	2,000,000			22,000		13,787,030 94
Ledger Value as per Balance Sheet		3,485,057 41		1,200,000	6,545,000	500,000	2,000,000			22,000		13,752,057 41
Total Bonds Owned	15,395,000	3,520,030 94	3,150,000	5,129,000	29,864,000	500,000	2,000,000	4,000	16,000	707,000	623,000	60,908,030 94

* For stocks held by Central Trust Co., Trustee under Unifed Mortgage, see page 25. x Of these bonds \$100,000 have been extended with interest at 6%.

STOCKS.	In Treasury.			In Trust.			Total.
	Railroad Cos. Controlled by L. & N.	Sundry RR. Cos.	Other Sundry Companies.	*Central Trust Co. Collateral for Unifed 50-Year 4%.	Standard Tr. Co. L. & N.-Sou.-Monon Coll. Joint Bds.	Farmers' Lo'n & Trust Co. Collat. Under N.O.M. & T. Mortgages.	
Atlanta Belt Line Co.		\$200,000 00					\$200,000 00
Augusta Belt Ry.		32,500 00					32,500 00
Augusta Union Station Co.		12,500 00					12,500 00
Augusta & Summerville RR.		25,000 00					25,000 00
Atlantic Compress Co.			\$25,900 00				25,900 00
Bay Minette & Ft. Morgan RR.	\$50,000 00						50,000 00
Clear Fork Railroad	10,000 00						10,000 00
Central Transfer Railway & Storage Co.		25,000 00					25,000 00
Chic. Ind. & Louisv. Ry., Preferred (one-half)					\$1,936,700 00		1,936,700 00
Chic. Ind. & Louisv. Ry., Common (one-half)		5,000 00			4,898,450 00		4,903,450 00
Colossal Cavern Co.			25,000 00				25,000 00
Elkton & Guthrie Railroad		17,275 00					17,275 00
Goddlettsville & Greenbrier Railroad	10,000 00						10,000 00
Gulf Transit Co.			82,300 00				82,300 00
Kentucky Public Elevator Co., Common			28,000 00				28,000 00
Long Branch Coal Railroad	50,000 00						50,000 00
Louisville & Nashville Terminal Co.	100,000 00						100,000 00
Louisville Henderson & St. Louis Ry., Preferred	776,081 03						776,081 03
Louisville Henderson & St. Louis Ry., Common	1,631,385 50						1,631,385 50
Lexington Terminal Railroad (of Georgia)		3,300 00					3,300 00
Louisville Property Co.			50,000 00				50,000 00
Madisonville Hartford & Eastern RR. Co.	50,000 00						50,000 00
Memphis Terminal Company	50,000 00						50,000 00
Memphis Railroad Terminal Co.		10,000 00					10,000 00
Milledgeville Railway		15,000 00					15,000 00
Missouri & Illinois Bridge & Belt Railroad		17,000 00					17,000 00
Monroe Railroad		50,000 00					50,000 00
Morganfield & Atlanta Railroad Co.	50,000 00						50,000 00
Nashville & Decatur Railroad	1,979,600 00						1,979,600 00
Nashville Chattanooga & St. Louis Railway	1,676,100 00			\$5,501,500 00			7,177,600 00
Owensboro & Nashville Railway	193,124 99			963,400 00			1,156,524 99
Pine Mountain Railroad	10,000 00						10,000 00
Republic Iron & Steel Co., Preferred			46,100 00				46,100 00
Republic Iron & Steel Co., Common			46,100 00				46,100 00
South & North Alabama Railroad, Preferred				2,000,000 00			2,000,000 00
South & North Alabama Railroad, Common	6,033 33			1,127,400 00			1,133,433 33
South Carolina & Augusta Railroad	5,000 00						5,000 00
Swan Creek Railway	50,000 00						50,000 00
St. Louis & Tennessee River Packet Co.			27,700 00				27,700 00
Terminal Railroad Association of St. Louis		205,800 00					205,800 00
Tennessee River Packet Co.			25,200 00				25,200 00
Whitley Coal Co.			48,300 00				48,300 00
Woodstock & Blocton Railway		120,000 00					120,000 00
Total Stocks in other Companies owned	\$6,697,324 85	\$738,375 00	\$404,600 00	\$9,592,300 00	\$6,835,150 00		\$24,267,749 85
Ledger Value as per Balance Sheet	\$3,785,168 09	\$429,631 29	\$149,889 34	\$5,606,272 23	\$6,006,033 62		\$15,976,994 57
Add—Stocks, charged to Cost of Road and Equipment, with Trustees:							
Henderson Belt Railroad				\$19,750 00			\$19,750 00
Southeast & St. Louis Railway				980,000 00			980,000 00
Pensacola Railroad				285,000 00			285,000 00
Louisville Cincinnati & Lexington Ry., Pref'd				1,500,000 00			1,500,000 00
Louisville Cincinnati & Lexington Ry., Com.				985,000 00			985,000 00
Alabama Mineral Railroad				1,969,000 00			1,969,000 00
Louisville Railway Transfer				100,000 00			100,000 00
Mobile & Montgomery Railway				2,939,700 00			2,939,700 00
Shelby Railroad				589,256 00			589,256 00
Birmingham Mineral Railroad				2,412,600 00			2,412,600 00
New Orleans Mobile & Texas Railway				3,985,000 00			3,985,000 00
Nashville Florence & Sheffield Ry.				615,000 00			615,000 00
Ponchartrain Railroad						\$711,800 00	\$711,800 00
Henderson Bridge Co.				501,000 00			501,000 00
Total Stocks	\$6,697,324 85	\$738,375 00	\$404,600 00	\$26,473,606 00	\$6,835,150 00	\$711,800 00	\$41,860,855 85

* For Bonds held by Central Trust Co., Trustee under Unifed Mortgage, see page 935. x These properties have been deeded to the L. & N. RR. Co with the exception of the S. E. & St. L. Ry.

TABLE NO. VI.—COST OF ROAD AND EQUIPMENT.

The Cost of Road and Equipment, June 30 1906, was	\$160,354,362 8
To which add the following:	
New General Office Building, Louisville	\$639,213 95
Equipment—	
Completed and delivered this year	\$2,362,213 44
Not yet delivered	1,832 60
Main Stem—	
Expenditures on New Shops, South Louisville	9,897 50
Evansville Henderson & Nashville Division—	
Reduction of Grades, Nashville to Henderson	\$1,564,939 94
Improvements at Henderson	79 06
Atlanta Knoxville & Northern Division—	1,565,019 00
Expenditures for construction	
Knoxville La Follette & Jellico Division—	1,391,857 71
Expenditures for construction	
Gallatin & Scottsville Railway—	18,323 36
Cost of Bonds and Stock	
For Sundry Net Expenditures on the Following Divisions—	309,010 00
Southeast & St. Louis Railway	\$500 00
Paducah & Memphis Division	5,532 35
Oneonta & Attalla Railroad	249 07
Shelby Railroad	1,643 92
Pennington Gap Branch	1 75
Henderson Bridge & Railroad	150 00
Yellow River Railroad	7,546 48
	15,623 57
	6,812,991 13
	\$166,667,353 94
Less Credit—	
Mobile & Montgomery Railway	225 00
Total cost June 30 1907, as per Table No. III	\$166,667,128 94

TABLE NO. VII.—GROSS EARNINGS, OPERATING EXPENSES, AND NET, BY MONTHS.

(4,342.56 Miles. Average operated during year 4,306.33 Miles.)

Months.	Freight.	Passenger.	Mail.	Express.	Miscellaneous.	Total Earnings.	Operating Expenses.	Net Earnings.	Per cent of Exp to Earnings.
July 1906	2,631,807 34	906,806 51	74,800 19	74,099 13	24,247 20	3,711,760 37	2,692,148 39	1,019,611 98	72.53
Aug. "	2,886,242 66	922,827 81	77,125 75	71,488 37	52,249 93	4,009,934 52	2,992,721 55	1,017,212 97	74.63
Sept. "	2,751,228 32	906,435 36	76,904 80	73,396 41	51,074 49	3,859,039 38	2,795,832 41	1,063,206 97	72.45
Oct. "	3,008,843 80	859,301 06	77,057 09	89,808 06	44,734 95	4,139,834 96	2,963,588 06	1,176,246 90	71.59
Nov. "	3,103,213 68	793,856 72	77,046 02	97,740 84	47,030 15	4,118,887 41	2,954,261 10	1,164,626 31	71.72
Dec. "	2,919,863 59	930,103 71	73,143 37	113,692 91	54,185 86	4,090,989 44	2,896,004 59	1,194,984 85	70.79
Jan. 1907	3,039,273 72	858,258 31	77,051 09	87,997 43	44,742 61	4,107,323 16	3,007,475 71	1,099,847 45	73.22
Feb. "	2,751,910 01	773,452 33	77,050 24	79,935 98	46,793 94	3,729,142 50	2,860,814 82	868,327 68	76.71
Mar. "	3,263,829 09	876,750 92	67,164 49	96,037 49	57,838 18	4,361,620 17	3,185,689 44	1,175,930 73	73.04
April "	3,002,975 88	812,544 68	58,291 76	105,783 68	64,485 08	4,044,081 08	3,035,134 39	1,008,946 69	75.05
May "	3,017,688 06	862,079 73	73,883 54	98,361 12	45,794 10	4,097,806 55	3,238,932 34	858,874 21	79.04
June "	2,798,910 87	914,962 44	73,915 38	90,259 42	115,477 55	3,993,525 66	3,158,699 74	834,825 92	79.10
Totals	35,235,787 02	10,417,469 58	883,433 72	1,078,600 84	648,654 04	48,263,945 20	35,781,302 54	12,482,642 66	74.14

TABLE NO. VIII.
GROSS EARNINGS, OPERATING EXPENSES AND NET.

Sources.	Per Cent of Gross Earnings.	Gross Earnings.	Operating Expenses.	Net Earnings.
Passenger	21.584	\$10,417,469 58		
Mall	1.830	883,433 72		
Express	2.235	1,078,600 84		
Train privileges	.042	19,822 48		
Freight	73.006	\$12,399,326 62	\$8,728,558 41	\$3,670,768 21
Telegraph	.013	35,235,787 02	27,052,744 13	8,183,042 89
Car detention, storage, etc.	.250	6,215 91		6,215 91
Rents	.842	120,728 13		120,728 13
Switching	.026	406,205 96		406,205 96
Cresote works West Pascagoula, Miss	.056	12,764 71		12,764 71
Miscellaneous	.064	26,821 63		26,821 63
Net proceeds acct. shipments of slag	.052	31,141 81		31,141 81
		24,953 41		24,953 41
Total	100.000	\$48,263,945 20	\$35,781,302 54	\$12,482,642 66

TABLE NO. IX.
OPERATING EXPENSES.

No.	EXPENDED FOR	Amounts.	No.
<i>Maintenance of Way and Structures.</i>			
1	Engineering and Superintendence	\$182,607 86	1
2	Repairs of Roadbed and Track	2,012,005 98	2
3	Cleaning Right of Way	166,607 45	3
4	Track and Tunnel Watchmen	31,171 04	4
5	Repairs and Renewals of Ballast	82,590 14	5
6	Repairs and Renewals of Rail Fastenings	240,310 26	6
7	Repairs and Renewal of Frogs, Switches and Signal	223,270 68	7
8	Roadway Tools	61,922 60	8
9	Renewals of Rails	221,201 08	9
10	Renewals of Ties	668,975 75	10
11	Repairs and Renewals of Bridges and Culverts	789,856 42	11
12	Bridge Watchmen and Tenders	27,998 61	12
13	Repairs and Renewals of Fences	30,247 03	13
14	Repairs and Renewals of Road Crossings, Signs and Cattle-guards	68,857 56	14
15	Repairs and Renewals of Water Stations	109,367 79	15
16	Repairs and Renewals of Fuel Stations	49,501 49	16
17	Repairs and Renewals of Shops, Engine Houses, etc.	127,734 67	17
18	Repairs and Renewals of Station, Office and Other Buildings	360,060 33	18
19	Repairs and Renewals of Docks and Wharves	11,756 41	19
20	Repairs and Renewals of Telegraph	7,021 57	20
21	Stationery and Printing	7,011 74	21
22	Injuries to Employees	24,478 32	22
23	Extraordinary Expenses	662,063 69	23
24	Other Expenses	4,505 15	24
25	Assessments for Public Improvements	19,850 57	25
26	Improvements—Way and Structures	1,883,924 26	26
27	Total	\$8,065,808 45	27
<i>Maintenance of Equipment.</i>			
28	Superintendence	\$203,688 69	28
29	Repairs of Locomotives	2,757,091 71	29
30	Repairs of Passenger Cars	561,218 78	30
31	Repairs of Freight Cars	3,578,067 13	31
32	Repairs of Sleeping Cars	3,796 96	32
33	Repairs of Work Car	76,762 47	33
34	Repairs of Shop Machinery and Tools	188,274 31	34
35	Stationery and Printing	22,046 69	35
36	Injuries to Employees	20,547 12	36
37	Other Expenses	206,512 20	37
38	Improvements—Equipment	1,081,604 49	38
39	Total	\$8,709,610 55	39
<i>Conducting Transportation—Traffic.</i>			
40	Superintendence	\$295,535 55	40
41	Advertising	111,818 98	41
42	Outside Agencies	591,505 96	42
43	Stationery and Printing	164,366 12	43
44	Total	\$663,226 61	44
<i>Conducting Transportation—Operation.</i>			
45	Superintendence—Transportation	\$346,648 68	45
46	Engineers and Firemen	2,667,403 24	46
47	Roundhousemen	614,641 05	47
48	Fuel for Locomotives	2,866,037 06	48
49	Water Supply for Locomotives	184,345 17	49
50	Oil and Waste for Locomotives	126,546 95	50
51	Other Supplies for Locomotives	119,291 10	51
52	Trainmen	2,441,974 13	52
53	Train Supplies and Expenses	442,718 34	53
54	Switchmen, Flagmen and Watchmen	1,326,181 82	54
55	Station Service	1,977,328 28	55
56	Station Supplies	166,948 40	56
57	Telegraph Expenses	731,537 55	57
58	Clearing Wrecks	130,941 22	58
59	Loss and Damage—Baggage	8,868 84	59
60	Loss and Damage—Freight	479,322 31	60
61	Damage to Stock	241,016 74	61
62	Damage to Property	39,886 61	62
63	Injuries to Person	320,221 13	63
64	Hire of Equipment—Balance	279,623 90	64
65	Sleeping Car Millage	844 59	65
66	Sleeping Car Expenses	59,617 61	66
67	Commissions	4,052 59	67
68	Stock Yards and Elevators	156 80	68
69	Rents for Tracks, Yards and Terminals	905,918 48	69
70	Rents for Buildings and Other Property	51,178 57	70
71	Stationery and Printing	183,116 22	71
72	Extraordinary Expenses	24,340 85	72
73	Other Expenses	68,412 96	73
74	Total	\$17,069,121 19	74
<i>General Expenses.</i>			
75	Salaries of General Officers	\$162,966 28	75
76	Salaries of Clerks and Attendants	336,670 12	76
77	General Office Expenses and Supplies	88,371 46	77
78	Insurance	339 87	78
79	Law Expenses	254,553 99	79
80	Stationery and Printing	81,514 89	80
81	Other Expenses	109,029 13	81
82	Total	\$1,033,445 74	82
83	Total Operating Expenses	\$35,781,302 54	83

Income from other sources than earnings from operation consisted of interest on cash in bank and sums collected as interest and dividends upon bonds and stock of companies the operations of which are not included in the System accounts.

During the fiscal year the sum of \$200,000 in cash was received as the net proceeds of sales of land embraced in the Santa Fe Pacific Land Grant, but this was directly written off the book value of Railroads, Franchises and Other Property, and the transaction does not appear in the Income Account.

CAPITAL STOCK AND FUNDED DEBT.

At a special meeting of the shareholders held January 30 1907 the authorized issue of Common Stock was increased \$98,000,000, making the present authorized issue \$250,000,000. During the year \$1,001,000 Common Stock was issued for a like amount of Convertible Bonds retired. On June 30 1907 there was outstanding \$102,956,500 of Common Stock and \$47,714,000 was reserved against a like amount of Convertible Bonds then outstanding.

Of the Serial Debenture Bonds, Series E, due February 1 1907, \$1,581,000 were paid, the remainder of the bonds of that series having been purchased and canceled during the previous year. The Company purchased and canceled \$265,000 of Series F falling due February 1 1908.

\$3,000 Hutchinson & Southern Ry. First Mortgage 5 Per Cent Bonds were acquired.

The sum of \$7,226,250 was received during the year on account of subscriptions for the 4 per cent Convertible Bonds of your Company, offered to the shareholders during the previous fiscal year.

Including \$6,858,000 of bonds of controlled lines, forming part of the system obligations, the total System Funded Debt outstanding on June 30 1907, as shown by Exhibit E [page 30 of pamphlet], was \$284,171,550.

Interest charges for the year ending June 30 1908 (including interest on the \$26,056,000 of 5 per cent Convertible Bonds offered to the shareholders and sold in July 1907), will be approximately \$12,569,760, or an average monthly charge of about \$1,047,480.

CAPITAL EXPENDITURES AND REDUCTION OF BOOK VALUES.

The expenditures during the fiscal year chargeable to Capital Account for the construction and acquisition of additional railways, equipment and other properties and for improvements, amounted in the aggregate to \$24,239,718 72.

These expenditures may be summarized as follows:

Construction and acquisition of new mileage, including the acquisition of bonds and stocks of other railway companies:	
Arizona & California Ry.....	\$378,441 74
Barnwell & Searchlight Ry.....	249,846 52
Eastern Oklahoma Ry.....	932,505 88
Eastern Ry. of New Mexico.....	2,375,541 16
Fresno County Ry.....	1,394 19
Grand Canon Ry.....	451,985 09
Gulf Beaumont & Kansas City Ry.....	38,072 40
Jasper & Eastern Ry.....	617,486 04
Northwestern Pacific RR.....	\$3,660,260 31
Less: Investment in securities of the S. F. & N. W. Ry. and Ft. B. & S. E. RR. reported in previous years.....	2,105,785 83
	1,554,474 48
Oakdale Western Ry.....	440 47
Pecos & Northern Texas Ry.....	444,340 67
Western Oklahoma Ry.....	96,910 43
The A. T. & S. F. Ry.....	1,234,565 44
Total.....	\$8,376,004 51
Deductions—	
Gulf Beaumont & Gt. Northern Ry.....	\$256 86
Phoenix & Eastern RR.....	2,190,176 48
Santa Fe Prescott & Phoenix Ry.....	96,445 76
	2,286,879 10
	\$6,089,125 41
Acquisition of additional right of way, depot grounds, real estate and terminals.....	840,289 64
Acquisition of equipment (in addition to equipment acquired by use of Replacement Fund).....	8,830,307 52
Improvements of equipment.....	13,223 72
Reduction of grades, changes of line and construction of permanent way.....	2,772,491 12
Second track.....	1,625,195 13
Ballasting.....	329,032 08
Buildings and shops.....	2,126,367 98
Improvements of China Basin.....	446,656 68
Improvements of Mojave Division.....	191,979 76
Other improvement work.....	1,090,299 62
Miscellaneous items.....	Credit 115,249 94
	\$24,239,718 72
Deductions—	
Fuel lands.....	\$390,597 47
Santa Fe Pacific lands.....	200,000 00
Improvements and other capital expenditures written off.....	9,600,000 00
	10,190,597 47
Net increase in Capital Account during the year.....	\$14,049,121 25

The sum of \$200,000 in cash having been received as net proceeds of the sale of Santa Fe Pacific lands, that sum was written off the book value of railroads, franchises and other property.

By order of the Board, betterments, improvements and other capital expenditures to the amount of \$9,600,000 were written off by a charge to Income Account.

MAINTENANCE OF EQUIPMENT.

The following statement shows the sums charged to Operating Expenses for Maintenance of Equipment during each year since July 1 1896:

Year ending June 30.	Average Operated Mileage.	Total Expenditure.	Expenditure Per Mile.
1897.....	6,443.81	\$3,443,884 82	\$534 45
1898.....	6,936.02	4,659,277 99	671 75
1899.....	7,032.62	4,810,795 64	684 07
1900.....	7,341.34	5,267,832 40	717 56
1901.....	7,807.31	6,257,456 57	801 49
1902.....	7,855.38	7,864,951 25	1,001 22
1903.....	7,965.13	8,510,543 09	1,068 48
1904.....	8,179.59	10,006,135 41	1,223 31
1905.....	8,305.40	10,914,864 47	1,314 19
1906.....	8,433.99	10,720,040 43	1,271 05
1907.....	9,273.15	11,779,846 64	1,270 32

For the year ending June 30 1907 maintenance charges averaged as follows:

Per locomotive.....	\$3,036 60
Per locomotive mile.....	.1050
Per passenger car, including mail, baggage and express.....	963.40
Per revenue passenger car mile.....	.0100
Per freight car.....	102.68
Per revenue freight car mile.....	.0083

These maintenance charges include a proportion of unlocated expenditures for Maintenance of Equipment chargeable to Superintendence, Shop Machinery and Tools, Stationery and Other Expenses.

The amount to the credit of Rolling Stock Replacement Fund June 30 1906, as shown in the last annual report, was \$24,358 04, to which there should be added \$59,209 40, representing credit balance in funds of auxiliary lines not previously included in operations of the system, making a total of \$83,567 44.

There was credited to the fund during the year the sum of \$1,438,150 00, of which \$1,332,657 52 was charged to Operating Expenses and \$105,492 48 was collected in cash for equipment sold and equipment destroyed on foreign lines, making a total fund of \$1,521,717 44 available for the acquisition of new locomotives and cars. The following equipment was acquired during the year by the use of this replacement fund:

21 Locomotives.....	\$274,979 59
380 Freight Cars.....	428,878 20
84 Passenger Cars.....	639,421 94
Add cost of 30 Box Cars purchased and charged to "Equipment" in fiscal year ending June 30 1904, now applied in reduction of the replacement fund.....	23,400 00
	\$1,366,679 73

The unexpended balance to the credit of the Rolling Stock Replacement Fund on June 30 1907 was \$155,037 71.

The following charges were made to Capital Account in respect of additional equipment purchased and in respect of payments made for equipment received during the previous year:

106 Locomotives.....	\$2,248,410 18
4,885 Freight Cars.....	5,920,363 01
22 Passenger Cars.....	280,702 86
16 Miscellaneous Cars.....	130,531 47
Unpaid balance on July 1 1906 of equipment trust obligations of S. F. P. & P. Ry. Co. treated as System Line since that date.....	273,700 00
	\$8,853,707 52
Deduct cost of 30 Box Cars charged against the replacement fund during current year which were purchased and charged to "Equipment" during fiscal year ending June 30 1904.....	23,400 00
	\$8,830,307 52

A statement of the locomotives in service and of their tractive power will be found on page 41. (See pamphlet report.)

MAINTENANCE OF WAY AND STRUCTURES.

The following statement shows the sums charged to Operating Expenses, for Maintenance of Way and Structures, during each year since July 1 1896:

Year ending June 30.	Average Operated Mileage.	Total Expenditure.	Expenditure Per Mile.
1897.....	6,443.81	\$6,282,923 15	\$975 03
1898.....	6,936.02	8,281,397 88	1,193 97
1899.....	7,032.62	7,672,107 62	1,090 93
1900.....	7,341.34	6,354,372 10	865 56
1901.....	7,807.31	6,433,840 36	824 08
1902.....	7,855.38	6,141,466 39	781 82
1903.....	7,965.13	9,304,892 04	1,168 20
1904.....	8,179.59	9,170,234 07	1,121 11
1905.....	8,305.40	11,385,418 33	1,370 85
1906.....	8,433.99	12,475,407 97	1,479 18
1907.....	9,273.15	15,286,062 66	1,648 42

Expenses for maintenance of way were largely increased by reason of extensive re-location and reconstruction of line in order to reduce grades and curvature, necessitating the abandonment of portions of line as originally constructed. In every such case the cost of construction of the railroad or property abandoned was charged to maintenance of way, while only the additional cost of the new construction was charged to capital account.

COMPARISON OF OPERATING RESULTS.

The following is a statement of the earnings and expenses of the System for the fiscal year ending June 30 1907, in comparison with the previous year:

	Year ending June 30 1907.	Year ending June 30 1906.	Increase.
Earnings—			
Passenger	\$21,171,629 08	\$18,677,817 42	\$2,493,811 66
Freight	66,500,309 42	56,506,587 03	8,993,722 39
Mail and Express	5,329,391 28	4,409,835 96	919,555 30
Miscellaneous	1,691,977 15	1,206,769 61	484,307 54
Total Earnings	\$93,683,406 91	\$80,801,010 02	\$12,882,396 89

	Year ending June 30 1907.	Year ending June 30 1906.	Increase.
Operating Expenses—			
Maintenance of Way and Structures	\$16,286,062 66	\$12,949,812 26	\$2,336,250 40
Maintenance of Equipment	11,779,846 64	10,932,032 89	847,813 75
Conducting Transportation	29,538,964 18	24,089,628 45	5,449,335 73
General Expenses	2,263,027 76	2,037,011 81	226,015 95
Total Operating Expenses	\$58,867,901 24	\$50,008,485 41	\$8,859,415 83

Net Earnings from Operations \$34,815,505 67 \$30,792,524 61 \$4,022,981 06
 Percentage of Operating Expenses to Earnings 62.84 61.89 0.95

The figures for the fiscal year ending June 30 1906, used for comparative purposes, are not the same as shown in the last Annual Report, but are revised to cover lines in the System as now constituted.

No portion of the earnings was derived from the transportation of Company material.

The average tons of revenue freight per loaded car mile increased from 14.63 to 15.47, or 5.74 per cent.

The average tons of revenue freight carried per freight-train mile increased from 301.79 to 320.31, or 6.14 per cent.

The average freight revenue per freight-train mile increased from \$2 89 to \$3 07, or 6.23 per cent.

The average passenger revenue per passenger-train mile increased from \$1 16 to \$1 24, or 6.90 per cent.

The average total revenue per passenger-train mile increased from \$1 43 to \$1 55, or 8.39 per cent.

Tons of revenue freight carried one mile increased 933,440,594, or 15.80 per cent, while freight-car mileage increased 48,112,056 miles, or 8.54 per cent, and freight-train mileage increased 1,782,004 miles, or 9.10 per cent.

The number of passengers carried one mile increased 104,272,781, or 12.05 per cent. The passenger-car mileage increased 6,548,261 miles, or 6.39 per cent, and the passenger-train mileage increased 987,234 miles, or 6.12 per cent.

The figures for the fiscal year ending June 30 1906, used for comparative purposes, are not the same as shown in the last Annual Report, but are revised to cover lines in the System as now constituted.

The following is a consolidated statement of the business of the System for each fiscal year during the period since January 1 1896.

Fiscal Year ending Ju'e 30	Average Miles Operated.	Earnings, Including Income from Other Sources.	Expenses, Including Taxes, Rentals and Other Charges.	Fixed Interest Charges.	Adjustment Bond Interest.	Surplus.
1897	6,443.51	\$44,541,689 81	\$36,038,455 30	\$6,900,007 91	\$1,540,380 00	\$2,846 60
1898	6,936.02	39,396,126 41	30,524,179 15	4,992,148 30	2,053,840 00	1,825,958 96
1899	7,032.62	40,762,933 47	29,353,618 11	5,188,132 00	2,053,840 00	4,167,343 36
1900	7,341.34	49,839,042 29	34,048,135 29	326,502,053 84	00	9,719,684 41
1901	7,807.31	54,807,379 73	34,510,665 40	5,776,970 83	2,053,840 00	12,465,903 55
1902	7,855.38	60,275,944 33	36,272,432 45	6,385,145 00	2,053,840 00	15,564,526 88
1903	7,965.13	63,668,390 99	40,655,576 48	7,080,645 24	2,053,840 00	13,898,329 27
1904	8,179.59	69,419,975 41	44,641,434 10	7,364,930 00	2,053,840 00	15,359,771 31
1905	8,305.40	69,189,739 65	47,835,883 50	7,567,670 09	2,053,840 00	11,742,346 06
1906	8,433.99	79,390,749 05	51,035,355 71	8,568,344 22	2,053,840 00	17,733,209 12
1907	9,273.15	94,436,574 68	61,779,916 16	9,434,094 70	2,053,840 00	21,168,723 82

The following statement shows the gross earnings of the System Lines (exclusive of income from other sources) per mile of road operated for each fiscal year since July 1 1896:

Year ending June 30.	Gross Earnings from Operations.	Average per Mile of Road.
1897	\$30,621,230 10	\$4,752 04
1898	39,214,099 24	5,553 69
1899	40,513,498 63	5,760 80
1900	46,232,078 23	6,297 49
1901	54,474,822 61	6,977 41
1902	59,135,085 53	7,527 97
1903	62,350,397 28	7,827 92
1904	68,171,200 18	8,354 31
1905	68,375,837 25	8,232 70
1906	78,044,347 25	9,253 55
1907	93,683,406 91	10,102 65

The following statement shows the development of the freight and passenger earnings of the System since July 1 1896:

Year ending June 30.	Freight Earnings.	Passenger Earnings.
1897	\$22,067,686 77	\$5,574,288 31
1898	28,588,716 76	7,347,361 59
1899	29,492,586 65	8,126,141 85
1900	33,729,332 83	9,334,661 57
1901	39,052,557 43	11,678,017 25
1902	41,815,607 05	13,439,384 57
1903	44,622,438 71	13,469,985 78
1904	47,762,653 23	15,433,773 63
1905	47,408,982 36	16,045,380 27
1906	54,598,902 82	18,013,988 56
1907	65,500,309 42	21,171,629 08

TREASURY.

The Company held in its treasury on June 30 1907 \$8,215,154 01 cash, and had available over \$7,765,000 of General Mortgage Bonds, including bonds not yet certified by the Trustee. The Company also has in the treasury unpledged a large amount of stocks and bonds of other companies of which part are carried in the balance sheet as Investments and part are included under "Railroads, Franchises and Other Property."

As set forth in the last Annual Report and in the circular dated December 5 1906 sent to the shareholders with the notice of a special meeting to increase the Company's Common Stock, it became necessary to raise additional capital in order to complete various extensions and to furnish the Company with the equipment and other facilities necessary

for the transaction of its rapidly increasing business. Accordingly your Directors, by a circular dated May 1 1907, offered to the shareholders \$26,056,000 of the Company's Ten-Year Five Per Cent Convertible Gold Bonds. Subscriptions for \$9,943,000 of these bonds were received from the shareholders in July 1907, and the remaining \$16,113,000 of the bonds were sold; but as these transactions took place since the close of the fiscal year, they do not appear in the accounts herewith submitted.

No notes or bills payable of this Company or of any of its auxiliaries are outstanding.

FUEL RESERVE FUND.

The fund has been increased by dividends received from sundry fuel companies:

Amount to credit of fund June 30 1906	\$384,622 36
Added during the year	194,323 42
In Fund June 30 1907	\$578,945 78

There is also in the treasury of the C. & P. C. & M. Co. the sum of \$566,356 95, being surplus earnings of that Company, so that the total amount available for replacement of fuel properties in which your Company is interested is \$1,145,302 73.

ARIZONA & CALIFORNIA RAILWAY.

This line has now been extended to Parker, Arizona, a point on the Colorado River approximately 107 miles from Wickenburg, Arizona.

BARNWELL & SEARCHLIGHT RAILWAY.

This road, extending from Barnwell, California, to Searchlight, Nevada, 23 miles, has been completed, and was opened for traffic April 1 1907.

DENVER KANSAS & GULF RAILWAY.

This line from Kiowa, via Medicine Lodge, to Belvidere, Kansas, a distance of 49.41 miles, completed during the year, was purchased by and conveyed to The Denver Enid & Gulf Railroad Company April 3 1907.

DENVER ENID & GULF RAILROAD.

This line has been operated as part of the System during the last fiscal year. The property of this Company, including that of the Denver Kansas & Gulf Railway, was deeded to The Eastern Oklahoma Railway Company May 22 1907, and with the other property of the latter Company was conveyed to The Atchison Topeka & Santa Fe Railway Company June 20 1907.

SULPHUR BRANCH.

This branch, 9.28 miles in length, between Davis and Sulphur, Indian Territory, was completed and opened for traffic August 26 1906.

JASPER & EASTERN RAILWAY.

This road has been opened for traffic from Kirbyville, Texas, to Cravens, Louisiana, a distance of approximately 57 miles. Grading has been completed to Oakdale, Louisiana, and track laying is now in progress.

HOLLY & SWINK RAILWAY AND ARKANSAS VALLEY RAILROAD.

There were purchased by and conveyed to this Company during the year the constructed portions of the line of the Holly & Swink Railway Company and of the line of the Arkansas Valley Railroad Company in the beet sugar district of the Arkansas Valley in the State of Colorado, and your Company is now completing those lines, the mileage constructed at the close of the fiscal year aggregating about sixty-eight miles.

PECOS & NORTHERN TEXAS RAILWAY.

The construction of the Canyon City—Plainview Branch, 57.30 miles in length, was completed and the line opened for traffic February 18 1907.

THE EASTERN RAILWAY COMPANY OF NEW MEXICO.

The line of The Eastern Railway Company of New Mexico, extending from Texico to Belen, New Mexico, 250 miles, has been practically completed and construction of the cut-off from Belen to Rio Puerco, New Mexico, a distance of 19 miles, is nearing completion.

On March 19 1907 the railway and other assets of The Pecos Valley & Northeastern Railway Company, including ninety-nine per cent of the capital stock of The Pecos & Northern Texas Railway Company and more than ninety-nine per cent of the capital stock of the Pecos River Railroad Company, were vested in The Eastern Railway Company of New Mexico.

Hereafter the operations of all of the lines above referred to will be included in the published System accounts.

Heavy work is in progress to reduce grades and curvature of the line between Texico, New Mexico, and Wellington, Kansas, and it is hoped that it will be practicable prior to

June 30 1908 to transfer the entire trans-continental freight business of your Company to the new low-grade line thus created, via Wellington, Texico, Belen and Rio Puerco.

PHOENIX & EASTERN RAILROAD.

The stock and bonds of the Phoenix & Eastern Railroad Company were sold for cash to the Southern Pacific Company at cost and interest.

NORTHWESTERN PACIFIC RAILROAD COMPANY.

Pursuant to an arrangement with the Southern Pacific Company, your Company caused to be vested in the Northwestern Pacific Railroad Company the railways of the San Francisco & Northwestern Railway Company and of the Fort Bragg & Southeastern Railroad Company, aggregating about 77.47 miles, and the Southern Pacific Company caused to be vested in the Northwestern Pacific Railroad Company the railways of the California Northwestern Railway, the North Shore Railroad, the San Francisco & North Pacific Railway and of the Eureka & Klamath River Railroad, aggregating about 326.70 miles. One-half of the capital stock of the Northwestern Pacific Railroad Company was vested in your company and the other half in the Southern Pacific Company. The object of this transaction was to ensure the construction of the link connecting the California & Northwestern Railway with the line of the San Francisco & Northwestern Railway and to give to the Atchison Company and the Southern Pacific Company each a half-interest in all the lines above referred to. Your Company, as well as the Southern Pacific Company, will thus obtain access to the whole territory served by all these lines.

CHANGES IN CLASSIFICATION OF ACCOUNTS.

In pursuance of an amendment of the Inter-State Commerce Acts, the Inter-State Commerce Commission has prescribed new classifications of accounts to be observed after June 30 1907 by all Railway Companies engaged in Inter-State Commerce. The new classifications differ somewhat from those heretofore used by your Company and to some extent will interfere with comparisons of the results of operations after June 30 1907 with those of prior fiscal years.

It is obvious that the adoption of a uniform system of accounting by the various railway companies would be of great advantage to all who are interested in railway properties. While the new classifications prescribed by the Commission will not wholly secure the desired result, and while some of the rules prescribed by the Commission may be subject to criticism, yet it is believed that the action of the Commission will, in the main, prove beneficial.

THE INCREASE OF BUSINESS.

The year was one of extraordinary business prosperity. The rapid colonization of the Southwest, the bountiful crops, the discovery and development of mineral deposits and the growth of miscellaneous business, due to the general increase of wealth, all contributed to the increase of traffic on your lines. At times the increase in the volume of traffic was so large that the Company's equipment and other facilities were overtaxed and it became impossible to move traffic promptly and satisfactorily. The congestion of traffic upon some of your lines and the necessity of moving traffic as speedily as practicable, without regard to economy of operation, caused a material increase in operating expenses. On the other hand, climatic conditions were unusually favorable.

Your Company has begun the new fiscal year with its properties in excellent physical condition and with largely increased equipment.

RATE REDUCTIONS.

In order to enable the Railway Companies of the United States to furnish the additional transportation facilities required by the rapid growth of the country in population and business activity, it will be necessary to expend many hundred millions of dollars of additional capital. The power of the Railway Companies to obtain this additional capital has been greatly impaired by loss of confidence of investors in the stability and security of railroad investments; and this loss of confidence has been caused, in great measure, by the unfriendly attitude of a large part of the public towards the Railway Companies, and by the arbitrary action of Legislatures and Railway Commissions in reducing rates and imposing burdensome restrictions, often without investigation or consideration of the consequences. The public apparently has failed to appreciate that capital invested in railways yields very moderate returns, having regard to the prevailing rates of interest and to the profits upon capital employed in other kinds of business; and the public, also, has failed to perceive that the whole country is interested in maintaining the prosperity and financial credit of the Railway Companies.

Few companies in the United States have been more prosperous than your Company. Yet even during the year ending June 30 1907, which was the most prosperous year in its history, net earnings averaged but 6.5 per cent on the entire capitalization, which is believed to be not in excess of the cost of reproducing your Company's properties at the present time. Interest and dividend payments for the year averaged less than 4.6 per cent on your Company's bonds and stocks. For the last ten years the average net earnings were but 4.82 per cent on the entire capitalization and the average interest and dividend payments were but 3.71 per cent on the bonds and stocks. Even these results could be obtained only through the expenditure of enormous sums for the construction of extensions and for improvements and additional equipment. During the last ten years the sums so expended by your Company for improvements and additional equipment and for new construction, without counting further large sums expended in purchasing previously constructed branches and extensions, amounted to more than \$110,000,000, while the aggregate sums paid to the holders of the Preferred and Common stock amounted to less than \$75,000,000.

It is hoped and believed that the public will soon realize that its recent attitude towards Railway Companies in general has not been just to their stockholders and bondholders, and also that unless the confidence of investors in the security and stability of railway investments is restored, it will be impossible to obtain the additional railway facilities which are necessary to the development of the country. Under existing conditions, however, your Directors have deemed it prudent to suspend various extension projects which were contemplated, and to limit the Company's capital expenditures to the completion of improvements to which the Company is already committed.

Acknowledgment of the faithful service of officers and employees is hereby made.

EDWARD P. RIPLEY, President.

THE ATCHISON TOPEKA & SANTA FE RAILWAY COMPANY—SYSTEM.

Comprising The Atchison Topeka & Santa Fe Railway Company, Rio Grande & El Paso Railroad Company, Gulf Colorado & Santa Fe Railway Company, The Eastern Railway Company of New Mexico, The Pecos & Northern Texas Railway Company, The Pecos River Railroad Company, Santa Fe Prescott & Phoenix Railway Company and The Southern Kansas Railway Company of Texas.

Dr. INCOME ACCOUNT FOR THE FISCAL YEAR ENDING JUNE 30 1907. Cr.

Table with two columns: Dr. and Cr. It lists various financial items such as Operating Expenses, Taxes, Earnings (Passenger, Freight, Mail, Express and Miscellaneous), Interest on Bonds, and Balance brought forward from June 30 1906. Total balance is \$32,906,859.67.

Dr. PROFIT AND LOSS ACCOUNT TO JUNE 30 1907. Cr.

Table with two columns: Dr. and Cr. It lists adjustments on re-valuation and sale of Miscellaneous Investments, Surplus for 12 months ending June 30 1907, and Sundry Adjustments applicable to prior years. Total balance is \$20,455,856.28.

THE ATCHISON TOPEKA & SANTA FE RAILWAY COMPANY—SYSTEM.

Comprising The Atchison Topeka & Santa Fe Railway Company, Rio Grande & El Paso Railroad Company, Gulf Colorado & Santa Fe Railway Company, The Eastern Railway Company of New Mexico, The Pecos & Northern Texas Railway Company, The Pecos River Railroad Company, Santa Fe Prescott & Phoenix Railway Company and The Southern Kansas Railway Company of Texas.

GENERAL BALANCE SHEET JUNE 30 1907.

Balances June 30 1906.	ASSETS.	Balances June 30 1907.	Balances June 30 1906.	LIABILITIES.	Balances June 30 1907.
\$454,220,616 08	Railroads, Franchises and Other Property, including Stocks, Bonds, &c. (Exhibit A).....	\$490,638,929 58	\$216,129,230 00	Capital Stock: Outstanding (Exhibit D).....	\$217,130,230 00
11,926,382 26	Expenditures for Improvements, Const'n, Equip. and Other Capital Purposes during Current Fiscal Year (Exhibit B).....	15,320,147 49	272,937,400 00	Funded Debt: Bonds Outstanding (Exhibit E).....	284,171,550 00
\$466,146,998 34	Total.....	\$505,959,077 07	2,287,184 20	Balance carried down.....	11,007,068 05
25,206,815 86	Investments, New Acquisitions (Exhibit C).....	6,349,770 98	\$491,353,814 20		\$512,308,848 05
\$491,353,814 20		\$512,308,848 05	\$491,353,814 20		\$512,308,848 05
\$2,287,184 20	Balance from Capital Account.....	\$11,007,068 05	\$145,898 69	Bridge Renewal Fund	\$234,442 33
5,647,318 15	Other Investments.....	6,695,281 43	\$282,126 96	Fuel Reserve Fund: The Atch. Topeka & S. Fe. Ry. Co. Cherokee & Pittsburg C. & M. Co.	\$473,352 46
7,368,296 35	Material and Supplies.....	10,681,682 89	102,495 40		105,593 32
88,855 25	Prepaid Insurance Premium.....	102,105 94	384,622 36	Rail Renewal Fund.....	578,945 78
	Guaranty Trust Co. of New York: Cash Deposit for Fuel Reserve Fund.....	578,945 78	994,746 47	Rolling Stock Replacement Fund.....	873,426 73
384,622 36	Accounts Receivable: Traffic Balances.....	\$1,532,914 40	24,358 04	Tie Renewal Fund.....	155,037 71
\$1,199,994 89	Agents & Conductors.....	856,168 40	408,317 53	Dividends on Pref'd and Com. Stock: No. 18 on Preferred Stock, payable August 1 1907.....	732,613 89
551,827 59	U. S. Government.....	663,484 58	2,871,567 25	Unclaimed Div'nds.....	2,877,287 75
524,159 09	Miscellaneous.....	4,033,059 32	850,084 34	Accrued Taxes not yet due.....	1,117,044 04
3,543,827 78		7,085,626 70	\$3,596,015 00	Interest on Funded Debt: Accrued, not due.....	\$3,693,821 25
5,819,809 35			307,443 47	Coupons not presented.....	4,013,559 59
			3,903,458 47	Accounts Payable: Pay Rolls.....	\$3,339,051 15
			\$2,662,823 21	Audited Vouchers.....	6,921,285 76
			3,286,228 05	Traffic Balances.....	1,512,345 52
			1,171,852 87	Miscellaneous.....	1,894,217 53
			2,178,395 47	Prior Accounts in Liquidation.....	50,000 00
			9,299,299 60	Profit and Loss Surplus.....	20,066,874 36
			50,000 00		
17,321,750 08	Cash on Hand and in Bank.....	8,215,421 35	19,985,482 99		
\$38,917,835 74		\$44,366,132 14	\$38,917,835 74		\$44,366,132 14

We have examined the books and accounts of The Atchison Topeka & Santa Fe Railway and System lines and certify that the above Balance Sheet and relative Income and Profit and Loss Accounts are properly drawn up therefrom, and show the correct income of the Company's system for the year and the true financial condition at the close of the year. We have been provided with satisfactory certificates from the Trustees as to the securities pledged under the different mortgages, and we have also verified the cash items.

New York, September 4 1907.

PRICE, WATERHOUSE & CO., Auditors.

GENERAL BALANCE SHEET—EXHIBIT A.

RAILROADS, FRANCHISES AND OTHER PROPERTY.

Amount June 30 1906, as published in Annual Report.....	\$454,254,356 08
Expenditures for Construction and Equipment during Fiscal Year ending June 30 1906.....	11,926,382 26
	\$466,180,738 34

Transferred from Exhibit C	
Arizona & California Ry.....	\$1,114,065 56
Barnwell & Searchlight Ry.....	19,097 97
Bradshaw Mountain RR.....	1,030,908 23
Beaumont Wharf & Terminal Company.....	124,962 26
*The Eastern Oklahoma Ry.....	2,005,828 93
aThe Eastern Ry. of New Mexico.....	9,095,180 46
Fresno County Ry.....	76,666 92
Jasper & Eastern Ry.....	771,120 50
The Leavenworth & Topeka Ry.....	39,882 12
The Pecos & Northern Texas Ry.....	90,940 32
Santa Fe Prescott & Phoenix Ry.....	2,763,983 71
The Texas & Gulf Ry.....	1,000,000 00
	\$18,132,636 98

Less net current assets of the Eastern Railway Co. of New Mexico and Santa Fe Prescott & Phoenix Railway, transferred to other accounts.....	512,878 34
	17,619,758 64
	\$483,800,496 98

Additions—	
The par amount of outstanding bonds of controlled System Lines included as of July 1 1906 among the System obligations, viz.:	
Santa Fe Prescott & Phoenix Ry.....	\$4,940,000 00
Miscellaneous Bonds.....	1,932,172 60
	6,872,172 60

Deductions	
Sundry Adjustments.....	33,740 00
	\$490,638,929 58

* Previously reported as investment in The D. E. & G. RR.
a Includes \$3,694,885 15 previously reported as investment in The P. V. & N. E. Ry.

GENERAL BALANCE SHEET—EXHIBIT B.

EXPENDITURES FOR IMPROVEMENTS, CONSTRUCTION, EQUIPMENT AND OTHER CAPITAL PURPOSES DURING FISCAL YEAR ENDING JUNE 30 1907.

Improvements.....	\$9,383,159 70
Construction.....	6,090,416 60
Equipment.....	8,843,531 24
*Other Expenditures.....	803,039 95
	\$25,120,147 49

Deductions—	
Land Sales during Fiscal Year.....	\$200,000 00
Improvements and other capital expenditures charged to Income.....	9,600,000 00
	9,800,000 00
	\$15,320,147 49

* Includes cost of purchase of Denver Kansas & Gulf Railway, \$768,499 64.

GENERAL BALANCE SHEET—EXHIBIT C.

INVESTMENTS—NEW ACQUISITIONS.

Expenditures to June 30 1906, as shown in Annual Report.....	\$25,206,815 86
Transferred to "Railroads, Franchises and Other Property," and other accounts, see Exhibit A:	
Arizona & California Ry.....	\$1,114,065 56
Barnwell & Searchlight Ry.....	19,097 97
Bradshaw Mountain RR.....	1,030,908 23
Beaumont Wharf & Terminal Co.....	124,962 26
The Denver End & Gulf RR.....	2,005,828 93
The Eastern Ry. of New Mexico.....	5,400,295 31
Fresno County Ry.....	76,666 92
Jasper & Eastern Ry.....	771,120 50
The Leavenworth & Topeka Ry.....	39,882 12
The Pecos & Northern Texas Ry.....	90,940 32
The Pecos Valley & Northeastern Ry.....	3,694,885 15
Santa Fe Prescott & Phoenix Ry.....	2,763,983 71
The Texas & Gulf Ry.....	1,000,000 00
	18,132,636 98
	\$7,074,178 88

Expenditures during the Fiscal Year ending June 30 1907:	
The Grand Canyon Ry.....	\$451,985 09
C. C. Midway Oil Co.....	66,000 00
Northwestern Pacific RR.....	\$3,660,260 31
Less: Investment in securities of the S. F. & N. W. Ry. and Fort Bragg & Southeastern RR., reported in previous years, included in above.....	2,105,785 83
	1,554,474 48
	2,072,459 57
	\$9,146,638 45

Deductions—	
Phoenix & Eastern RR.....	\$2,190,176 48
Chicago Union Transfer Ry.....	99,684 82
Santa Fe Land Improvement Co.:	
Fuel Lands.....	456,597 47
Texas Tie & Lumber Preserving Co.....	50,408 70
	2,796,867 47
	\$6,349,770 98

charged to Income Account, a total of 397 cars. 494 box cars were purchased as additions to the Equipment.
 The freight cars leased increased by the addition of 3,196 steel gondola cars. Of these, 496 are covered by Equipment Trust "I," 2,000 by Equipment Trust "J" (both mentioned in the last annual report), and 1,000 by Equipment Trust "K." The last named issued under date of October 15th 1906 for \$1,600,000 in payment of 40 locomotives and 1,000 steel gondola cars, payable in twenty semi-annual installments, with interest at 4%. The 300 cars already referred to having passed into your ownership, the net increase in the number of leased cars is 3,196.
 The following is a seven-year comparison of equipment owned:

	June 30th 1907.	June 30th 1906.	Inc.	82
Locomotive Equipment	457	375		82
Passenger Car Equipment	301	221		80
Freight and Miscellaneous Car Equipment	18,388	12,371		6,017

Your Board authorized the addition of four thousand steel gondola cars, for which Equipment Trust Certificates series "L" and "M" have been issued, dated January 2d 1907 and February 1st 1907, respectively. These Trust Certificates are for \$2,250,000 each, payable in twenty semi-annual installments with interest at 4%.
 The Equipment Trust payments for the year, principal and interest, including the cash payments shown above, amounting to \$1,998,427 81, were charged against Income. The outstanding Equipment Trust Certificates as of June 30th 1907 amount to \$16,430,000.

EQUIPMENT CONTRACTS AND EQUIPMENT TRUST OBLIGATIONS, JUNE 30TH 1907.

Equipment Contracts.		Description of Equipment.	Date of Final Payment.	Amount Unpaid June 30th 1906.	Payments Made During Year Ending June 30th 1907	Balance June 30th 1907.
Date of Agreement.	Number or Series.					
January 1st 1902	9	300 Gondolas	May 1st 1907	\$58,000 00	\$58,000 00	
Equipment Trusts—						
August 1st 1901	"A"	25 Locomotives	August 1st 1911	\$600,000 00	\$100,000 00	\$500,000 00
August 14th 1902	"B"	1,000 Freight Cars	August 15th 1912	1,400,000 00	200,000 00	1,200,000 00
August 30th 1902	"C"	25 Locomotives	September 1st 1912	650,000 00	100,000 00	550,000 00
July 29th 1903	"D"	2,210 Freight Cars	August 1st 1913	1,600,000 00	200,000 00	1,400,000 00
November 16th 1903	"E"	1,000 Gondolas (steel)	December 1st 1913	750,000 00	100,000 00	650,000 00
December 15th 1904	"F"	50 Locomotives	December 15th 1914	595,000 00	70,000 00	525,000 00
April 1st 1905	"G"	1,000 Gondolas (steel)	April 1st 1915	1,620,000 00	180,000 00	1,440,000 00
April 2d 1906	"H"	1,500 Gondolas (steel)	April 1st 1916	1,560,000 00	*120,000 00	1,440,000 00
June 1st 1906	"I"	35 Locomotives	June 1st 1916	991,666 67	*91,666 67	900,000 00
August 1st 1906	"J"	995 Gondolas (steel)	August 1st 1916	1,900,000 00	95,000 00	1,805,000 00
October 15th 1906	"K"	1,000 Gondolas (steel)	October 15th 1916	1,600,000 00	80,000 00	1,520,000 00
January 2d 1907	"L"	40 Locomotives	January 1st 1917	2,250,000 00		2,250,000 00
February 1st 1907	"M"	1,000 Gondolas (steel)	February 1st 1917	2,250,000 00		2,250,000 00
Total Trust Obligations		213 Locomotives 17,205 Freight Cars		\$17,766,666 67	\$1,336,666 67	\$16,430,000 00

*Aggregate amount paid on "H" and "I" \$260,000 00, of which \$48,333 33 was charged to "Accrued Principal C. T. Payments." Equipment Contract payments charged to Operating Expenses. Equipment Trust payments charged to Income Account.

FREIGHT TRAFFIC STATISTICS.
 All Lines Operated.

	Year ending June 30th 1907.	Comparison with June 30th 1906.	
		(+) Increase or (-) Decrease.	Per Cent.
Miles	1,827.4	+33.7	1.9
Freight earnings	\$19,974,860.86	+579,212.73	3.0
Per cent of gross earnings	77.4	-1.4	1.8
Coal and coke carried (tons)	10,378,592	+493,719	5.0
Other freight carried (tons)	6,488,273	+6,266	0.1
Number of tons carried, total	16,866,865	+499,985	3.1
Number of tons carried one mile	4,617,608.676	-1,871,794	0.1
Average miles each ton was carried	274	-8	2.8
Number of tons carried per mile of road	9,230	+105	1.2
Number of tons carried one mile per mile of road	2,526,874	-48,518	1.9
Freight earnings per mile of road	\$10,930.75	+\$117.54	1.1
Average earnings per ton	\$1.18.4	-\$0.00.1	0.1
Average earnings per ton of coal per mile (mills)	3.25	-.02	0.6
Average earnings per ton of freight other than coal per mile (mills)	6.35	+52	8.9
Average earnings per ton per mile from all freight (mills)	4.33	+13	3.1
Average number of tons per loaded car	27.3	+6	2.2
Average revenue train load (tons)	596	+10	1.7
Average train load, including Company's freight (tons)	628	+12	1.9
Average number of loaded cars per east bound freight train	24.9	-1.6	6.0
Average number of empty cars per east bound freight train	8.3	+2	2.5
Average number of loaded cars per west bound freight train	18.6	+6	3.3
Average number of empty cars per west bound freight train	14.1	-1.7	10.8
Average number of loaded cars in train	21.8	-.2	0.9
Average number of empty cars in train	11.2	-6	5.1
Total cars per freight train	33	-8	2.4
* Miles run by freight trains	7,748,219	-129,153	1.6
Miles run by switch and construction trains	5,375,998	+508,346	10.4
Freight car mileage	255,528,280	-10,688,365	4.0
Loaded car mileage	169,021,956	-4,229,252	2.4
Empty car mileage	86,506,324	-6,459,113	6.9
Freight train mileage per mile of road	4.240	-152	3.5
Freight earnings per freight train mile	\$2.57.8	+\$0.11.6	4.7

* Includes mileage made by light trains.

PASSENGER TRAFFIC STATISTICS.
 All Lines Operated.

	Year ending June 30th 1907.	Comparison with June 30th 1906.	
		(+) Increase or (-) Decrease.	Per Cent.
Miles	1,827.4	+33.7	1.9
Passenger earnings	\$4,888,139.17	+645,583.38	15.2
Per cent of gross earnings	18.9	+1.9	11.2
Number of passengers carried	4,269,360	+558,542	15.1
Number of passengers carried one mile	226,660.932	+28,191,628	14.2
Average miles each passenger was carried	53.09	-.39	0.7
Number of passengers carried per mile of road	2,336	+267	12.9
Number of passengers carried one mile per mile of road	124,035	+13,387	12.1
Passenger earnings per mile of road	\$2,674.91	+\$309.66	13.1
Average earnings from each passenger	\$1.14	.00	0.0
Average earnings per passenger per mile (cents)	2.157	+0.19	0.9
Average number of passengers per train mile	55	.00	0.0
Passenger train mileage	4,127,754	+497,957	13.7
Passenger car mileage	20,462,769	+2,605,358	14.6
Passenger train mileage per mile of road	2,259	+236	11.7
Earnings per passenger train mile, including mail and express	\$1.38	.00	0.0
Passenger earnings per train mile	\$1.18	+.01	1.3

GENERAL REMARKS.

The Net Income for the year, after providing for all charges, including the interest on Equipment Trust obligations, was \$3,392,999 14. From this amount deductions were made as follows: Payments on account of principal of Equipment Trusts, \$1,336,666 67; extraordinary expenditures for improvements and new equipment, \$1,347,554 56; sinking fund for retirement of Greenbrier Railway Company bonds, \$19,800; and a dividend of one per cent on the common stock of the Company, \$627,907 00, paid November 30th 1906. The balance, \$61,070 91, was transferred to the credit of Profit and Loss. There was charged against this account the sum of \$608,536 51, representing net discount on securities sold and uncollectible accounts, leaving a balance to credit June 30th 1907 of \$987,248 20.
 Gross earnings were affected by the unfavorable weather conditions prevailing during the winter months, while the expenses were largely augmented by the increase in cost of materials and the general increase in wages. The traffic on your West Virginia and Kentucky lines was frequently interrupted by landslides and by floods in the rivers, the train service upon your Cincinnati Division having been suspended at one time for an entire week.
 It will be seen from the foregoing statements that while the railway earned more than five per cent upon its capital stock, a dividend of but one per cent was paid to its shareholders. In no year since its reorganization has the amount paid to them exceeded that sum. The Company, instead of distributing a fair share of profit to the owners of the property, was compelled, in order to meet the needs of its shippers, to apply its entire surplus income beyond the one per cent referred to to the purchase of additional equipment and the furnishing of increased facilities for its traffic. It cannot be seriously contended that the traffic over your line has been unduly burdened, when the average rate received per ton per mile was but 4 1-3 mills and per passenger per mile not quite 2 1-6 cents. Your Directors feel that the statistics herewith submitted show that your property has been managed with efficiency and economy, notwithstanding which the margin of profit has been so small that the return to its owners has been entirely inadequate and one that cannot be justified in any line of business. It would, therefore, seem to be to the interest of the communities and people served by your lines that your revenues should not be lessened or your credit injured by further reducing rates that are now inadequate to meet the physical requirements of the property and yield a return which you, as shareholders, may rightfully and reasonably expect. It seems clear that with all the leading railways in the section served by your lines the time has arrived when the increased volume of traffic is forcing upon them exceptionally large expenditures for double track, equipment and yard facilities, and as the Commonwealths through which they pass can only prosper through the continued development of the mineral and other industries which are served by the railways, it necessarily follows that any legislation which injures their credit and prevents the sale of securities at fair prices, must work as great a loss to the people as to the railway shareholders.

Believing that the communities along the lines of your system must in the end recognize the accuracy of this statement, and, in pursuance of the duty devolved upon your Board, as trustee for the owners of the property, to protect their interests, proceedings were instituted in the courts contesting the purpose of the State authorities to reduce your passenger rates in Virginia; and, with the assent of the officials of the State, a method of procedure has been adopted which, it is believed, will secure a prompt determination of this important matter without serious injury to your interests.

The proceeds of the \$2,000,000 4½% general mortgage bonds sold during the year were appropriated to second main track and special construction purposes, as shown on a foregoing page.

Excepting 6.4 miles from Norge to Diascund, which involve a change of line, the 19 miles of second main track referred to in the last report were completed, as were also the additions to the yards at Lynchburg, Thurmond and Russell. Of the 91.8 miles of additional second main track referred to in the same report as having been authorized during the year ended June 30th 1906, that portion between Concord and Crooked Creek (Cincinnati Division) 10.3 miles, has not been placed under contract; the 6.3 miles between Morrison and Oriana (Richmond Division) are in operation, and the stretches between Hawks Nest and Cotton Hill (Hinton Division), 2.0 miles, and Maysville and Lawrence Creek (Cincinnati Division,) 5.4 miles, are nearing completion. The work on the remaining mileage (6.78) and also on the 6.4 miles between Norge and Diascund, referred to above, has been suspended, awaiting an improvement in the general financial situation; the sum of \$1,534,739 23 was expended on this suspended work during the year and there will be required \$1,315,056 to complete it.

An additional bridge was built across New River about one mile west of Sewell, the second main track being continued to that point and a connection made with the South Side Branch, which parallels the main line to Hawks Nest, a distance of eleven miles, and which, having been re-built, will be operated as a second main track from July 1st 1907.

The Cincinnati Inter-Terminal Railroad, referred to in the last report, was completed at a total cost of \$697,629 78, and its operation was begun September 28th 1906.

Your Board authorized the acceptance of \$771,000 of the first mortgage bonds of the Big Sandy Railway Company at par in settlement of advances to that amount which had been made from your treasury to pay for construction of that line. These bonds are held in your treasury.

Potts Creek Branch bonds of the par value of \$300,000 were sold and the proceeds applied in partial reimbursement of the treasury for sums advanced for construction purposes. Bonds for an equal amount still remain in your treasury. Eighteen miles of track were completed at a cost of \$451,714 76 and placed in operation July 1st 1907.

In addition to the eighteen miles of road owned by the Coal River Railway Company when its securities were purchased by your Company, 22.9 miles have been built and put in operation and 16.2 miles are under construction, \$113,000 having been appropriated therefor. Construction work on the remaining portion has been temporarily suspended. There had been expended prior to July 1st 1907 the sum of \$1,778,327 53 for the purchase and extension of this railway.

The entire capital stock of the Raleigh & Southwestern Railway Company (connecting with your Piney Creek Branch), consisting of a standard gauge line about five miles long, and a narrow gauge railroad about ten miles in length, the latter formerly owned by the Glade Creek & Raleigh Railroad Company, was purchased March 21st 1907. These lines will open up a large mineral and timber region. A first mortgage to secure an issue of thirty-year 4% bonds to the ultimate amount of \$1,500,000 was placed upon the franchises and property of the Raleigh & Southwestern Railway Company; the amount of bonds outstanding is \$250,000, which were issued in acquiring the properties. The bonds are guaranteed by your Company as to principal and interest.

In conformity with the resolution of the shareholders of your Company adopted in general meeting February 25th 1895, your Board authorized the guaranty of this Company as to principal and interest to be placed, together with that of the Cleveland Cincinnati Chicago & St. Louis Railway Company, upon an additional issue of \$1,000,000 of the 4% bonds of the Louisville & Jeffersonville Bridge Company, the capital stock of which Company is owned by your Company and the Cleveland Cincinnati Chicago & St. Louis Railway Company. These bonds are held in the treasury of the Louisville & Jeffersonville Bridge Company, \$500,000 of them having been placed as collateral for a loan.

Your Board adopted resolutions on June 14th 1907 recommending to the shareholders that a general equipment and improvement mortgage securing an issue of \$10,000,000 ten-year five per cent bonds, subordinate and in addition to existing mortgages, be placed upon your franchises and properties, and directed the calling of a special meeting of the shareholders of the Company to act upon its recommendation. The mortgage was authorized by the unanimous vote of the shareholders at a meeting held on July 31st 1907.

Under date of June 21st 1907 your Board authorized the issue and sale of \$5,000,000 of three-year 6% notes to be secured by the pledge of \$6,500,000 of the new general equipment and improvement bonds. The sale of the said notes was effected as of July 1st 1907.

Your lines in Kentucky, excepting that of the bridge Company operating between Lexington and Cincinnati, aggregating 435 miles in length, were conveyed to your Company as of July 1st 1907, and from that date will be reported as owned, and the cost of the securities representing the same will appear in the "Cost of Road" upon your Balance Sheet.

There were 27,389 tons of new steel rails used in renewals and 7,422 tons in new second main track, making a total of 34,811 tons, or 243.2 miles of track. There are 621 miles of main track laid with 100-lb. rails, 294.5 miles with 85-lb. rails, 706.2 miles with 80-lb., 75-lb. and 70-lb. rails, and 267.3 miles with rails of less weight; a total of 1,889 miles of main line and branches. There were 794,774 ties used in maintaining existing tracks and 205,401 in new construction, total 1,000,175. There were 483,280 yards of ballast used, of which 81,692 yards represented new construction.

Repairs were made to 643 locomotives, 269 passenger cars and 99,976 freight cars. The average amount expended per locomotive owned and leased was \$1,973 26; per passenger car owned, \$1,046 83, and per freight car owned and leased, \$86 78. The average capacity of freight cars increased from 38.3 tons to 40.0 tons.

The coal and coke tonnage increased 5%; other freight tonnage increased 0.1%. The total tonnage was 16,866,865 tons, an increase of 3.1%. The ton miles were 4,617,608,676, a decrease of 0.1%. The ton mile revenue was 4.33 mills, an increase of 3.1%. Revenue per freight train mile was \$2.57 8, an increase of 4.7%. The revenue tonnage per train was 596, an increase of 10 tons, or 1.7%; including Company's freight it was 628 tons, an increase of 1.9%. The average tonnage per loaded car was 27.3, an increase of 2.2%. The number of tons of revenue freight carried one mile per mile of road was 2,526,874, a decrease of 1.9%. Freight train mileage was 7,748,219 miles, a decrease of 1.6%.

There were 4,269,360 passengers carried, an increase of 15.1. The number carried one mile was 226,660,932, an increase of 14.2%. Passenger revenue was \$4,888,139 17, an increase of 15.2%. Total passenger train earnings were \$5,689,796 57, an increase of \$684,432 42. Earnings per passenger per mile were 2.157 cents, an increase of 0.9%. Number of passengers carried one mile per mile of road were 124,035, an increase of 12.1%. Passenger train mileage was 4,127,754, an increase of 13.7%. Passenger earnings per train mile were \$1 18, an increase of 1.3%; including mail and express, were \$1 38, the same as for previous year.

By order of the Board.

GEO. W. STEVENS, President.

SECURITIES OWNED JUNE 30 1907.

Bonds of—	Class.	Rate.	Par Value.
Big Sandy Ry. Co.	1st Mtge.	4%	\$771,000 00
Chesapeake & Ohio Grain Elevator Co.	Income	4%	341,500 00
Chesapeake & Ohio Grain Elevator Co.	1st Mtge.	6%	10,000 00
Chesapeake & Ohio Ry. Co.	Gen'l Mtge.	4½%	1,000 00
Chesapeake & Ohio Ry. Co.—Potts Creek Branch	1st Mtge.	4%	300,000 00
Cov. & Cin. E. RR. & Trans. & Br. Co.	1st Mtge.	6%	3,500,000 00
Jamestown Exposition Co.	1st Mtge.	8%	30,000 00
Manchester City	1st Mtge.	8%	15,000 00
Old Point Comfort Improvement Co.	2nd Mtge.	6%	12,400 00
Passenger & Belt Ry. of Lexington, Ky.	1st Mtge.	5%	8,000 00
Rich Patch Iron & Ore Co.	1st Mtge.	5%	10,000 00
Richm'd Standard Steel Spike & Iron Co.	1st Mtge.	6%	10,000 00
Southern Improvement Co.	1st Mtge.	5%	385,000 00
Western Pocahontas Corporation	Ext. Mtg. No. 1	4½%	31,000 00
Total			\$5,424,900 00

Stocks of—	Shares.	Each.	Par Value.
Allegheny Construction Co.	250	\$2.00	\$525,000 00
Chesapeake & Ohio Grain Elevator Co.	5,000	1.00	5,000 00
Coal River Ry. Co.	1,000	1.00	1,000 00
Cov. & Cin. E. RR. & T. & Br. Co.	15,000	75.00	1,125,000 00
Glasgow & Newport News Steamship Co.	150	£100	15,000 00
Hocking Valley Ry. Co.	11,540	\$100	1,154,000 00
Jamestown Exposition Co.	182,265	100	18,226 50
Louisville & Jeffersonville Bridge Co.	4,750	100	475,000 00
Newport News Publishing Co.	15	100	1,500 00
Norfolk Terminal & Transportation Co.	1,000	100	100,000 00
Norfolk & Portsmouth Belt Line RR. Co.	72	100	7,200 00
Old Dominion Steamship Co.	1,200	100	120,000 00
Old Point Comfort Improvement Co.	186	100	18,600 00
Raleigh & Southwestern Ry. Co.	1,000	100	100,000 00
Richmond Chamber of Commerce	10	100	1,000 00
Richmond Washington Co.	4,450	100	445,000 00
Western Pocahontas Corporation	2,500	100	250,000 00
Virginia State Fair Association	8	25	200 00
Total			\$4,890,726 50

SECURITIES OF "THE CHESAPEAKE & OHIO RAILWAY CO. OF KENTUCKY"—OWNED.

Bonds of—	Class.	Rate.	Par Value.
Elizabethtown Lex. & Big Sandy RR. Co.	1st Mtge.	5%	\$3,282,000 00
Elizabethtown Lex. & Big Sandy RR. Co.	2nd Mtge.	6%	550,000 00
Elizabethtown Lex. & Big Sandy RR. Co.	Debtors	6%	489,000 00
Kentucky & South Atlantic Ry. Co.	1st Mtge.	5%	110,000 00
Kinniconick & Freestone RR. Co.	1st Mtge.	6%	100,000 00
Kinniconick & Freestone RR. Co.	Income	6%	100,000 00
Maysville & Big Sandy RR. Co.	1st Mtge.	5%	7,500,000 00
Ohio & Big Sandy RR. Co.	Obligat'n	6%	572,977 71
Ohio & Big Sandy RR. Co.	Notes	6%	56,800 00
Total			\$12,760,777 71

Stocks of—	Shares.	Each.	Par Value.
Big Sandy Ry. Co.	1,000	\$100	\$100,000 00
Elizabethtown Lex. & Big Sandy RR. Co.	35,015 ¼	100	3,501,525 00
Kentucky & South Atlantic Ry. Co.	1,500	100	150,000 00
Kinniconick & Freestone RR. Co.	887	100	88,700 00
Maysville & Big Sandy RR. Co.	149,574	50	7,478,700 00
Ohio & Big Sandy RR. Co.	9,940	100	994,000 00
Ohio River & Charleston Ry. Co.	500	100	50,000 00
Total			\$12,362,925 00

Grand Total \$55,439,329 21

Of the above there are deposited with Trustees under Con. and Gen'l Mortgages:
 Bonds \$16,275,777 71
 Stocks 18,810,425 00

GENERAL BALANCE SHEET JUNE 30TH 1907.

ASSETS.	Comparison with June 30th 1906.	
	Increase.	Decrease.
Cost of Road	\$113,223,840 19	\$3,703,679 29
Cost of Equipment	13,912,508 48	1,296,474 36
Real Estate	13,350 80	66,713 95
Kineon Coal Viaduct	337,843 10	
Construction—Potts Creek Branch	451,714 76	451,714 76
Chesapeake & Ohio Railway Co. of Kentucky, including Stocks and Bonds of merged lines and Advances made	\$128,039,257 33	
Other Bonds owned	23,552,185 20	383,818 58
Other Stocks owned	4,119,235 28	1,133,000 00
Advances to Controlled Companies	2,556,313 74	18,425 50
Special Cash Deposit (unexpended balance of Second Track Fund)	1,022,967 28	360,280 19
Special Cash Deposit with Trustees	203,707 72	
Construction—To Be Capitalized	27,734 92	\$644,761 02
Total Invested Assets	\$159,521,401 47	\$6,553,173 06
Value of New equipment covered by Trust Agreements, less amount charged to Income	16,572,639 50	6,747,972 83
Current Assets—		
Cash in hand of Treasurer	\$556,412 89	
Cash on Deposit to pay Interest and Dividends	254,722 82	\$729,885 72
Due from Agents and Conductors	1,684,526 40	17,069 24
Due from Individuals and Companies	684,348 89	882,070 72
Traffic Balances	700,050 08	258,463 87
Bills Receivable	12,500 00	105,740 46
Materials and Supplies	2,239,980 35	8,347 19
	6,132,541 43	1,382,745 96
		1,390,929 60
Total	\$182,226,582 40	\$14,692,075 49
LIABILITIES.		
Capital Stock, Common	\$62,790,700 00	
" " First Preferred	7,700 00	
" " Second Preferred	700 00	
	\$62,799,100 00	
Funded Debt—		
Five per cent First Consolidated Mortgage Gold Bonds, due 1939	\$25,858,000 00	
Four and one-half per cent General Mortgage Gold Bonds, due 1992	43,573,000 00	\$2,000,000 00
Six per cent Series A Gold Bonds, due 1908	2,000,000 00	
Six per cent Series B (and Scrip) Bonds, due 1908	13,354 17	
Six per cent Bold Bonds, due 1911	2,000,000 00	
Six per cent Gold Bonds, due 1922	142,000 00	
Four per cent First Mortgage Gold Bonds, R. & A. Division, due 1989	6,000,000 00	
Four per cent Second Mortgage Gold Bonds, R. & A. Division, due 1989	1,000,000 00	
Five per cent First Mortgage Gold Bonds, Craig Valley Branch, due 1940	650,000 00	
Five per cent First Mortgage Gold Bonds, Warm Springs Valley Branch, due 1941	400,000 80	
Five per cent First Mortgage Gold Bonds, Greenbrier & New River R.R., due 1942	339,000 00	
Five per cent First Mortgage Gold Bonds, Kineon Coal Co., due 1915	200,000 00	
Four per cent First Mortgage Gold Bonds, Greenbrier Ry., due 1940	1,980,000 00	
Four per cent First Mortgage Gold Bonds, Paint Creek Branch, due 1945	525,000 00	
Four per cent First Mortgage Gold Bonds, Big Sandy Ry., due 1944	4,771,000 00	771,000 00
Four per cent First Mortgage Gold Bonds, Potts Creek Branch, due 1946	600,000 00	600,000 00
	90,051,354 17	3,371,000 00
Total Capital and Funded Debt	\$152,850,454 17	\$3,371,000 00
Balance due on New equipment covered by Trust Agreements	16,430,000 00	6,605,333 33
Loans and Bills Payable	4,102,516 49	2,057,516 49
Current Liabilities—		
Interest Accrued	\$1,199,144 81	105,664 61
Unpaid Interest including that due July 1st 1907	250,812 82	16,873 24
Dividends Uncollected by Shareholders	3,910 00	196 00
Unpaid Vouchers and Pay Rolls	5,609,259 88	3,390,094 37
Traffic Balances	335,726 30	66,276 37
Taxes Accrued	279,856 17	48,803 26
Sundry Accounts	177,653 56	\$422,216 58
	7,856,363 54	\$3,205,691 27
	987,248 20	\$547,465 60
Total	\$182,226,582 40	\$14,692,075 49

This Company is also liable as guarantor of the—

Chesapeake & Ohio Grain Elevator Co., First Mortgage	\$820,000 00
Coal River Railway Co., First Mortgage	1,800,000 00
Norfolk Terminal & Trans. Co., First Mortgage	500,000 00
Passenger & Belt Railway Co., First Mortgage (\$8,000 owned)	150,000 00
Raleigh & Southwestern Railway Co., First Mortgage	250,000 00
Western Pocahontas Corporation, First Mortgage	750,000 00
Western Pocahontas Corporation, Extension Mortgage No. 1	114,000 00
Western Pocahontas Corporation, Extension Mortgage No. 2	51,000 00
Louisville & Jeffersonville Bridge Co., First Mortgage (C. & O. Proportion, 1-3)	4,500,000 00
Richmond-Washington Co., Collateral Trust Mortgage (C. & O. Proportion, 1-6)	9,500,000 00

L. F. SULLIVAN, Comptroller.

COST OF ROAD JUNE 30 1907.		Brought forward	
The Cost of Road June 30 1906 was	\$109,520,160 90		\$1,704,674 83
Add for:		Interlocking and Block Signals at various points	215,293 80
Extensions of Cabin Creek, Piney, Guyandot and Rend Branches	\$153,299 03	Sidings and Yards	374,807 67
Changing Line and Grades, Richmond, Hinton and Huntington Divisions	755,739 91	New Second Track	1,408,902 99
Additions to Freight Stations at Lynchburg and Charleston	25,672 42		3,703,679 29
New Passenger Stations at Williamsburg and Ecels	14,098 40	Cost of Road, as per Balance Sheet	\$113,223,840 19
Real Estate at Richmond, Charlottesville and Huntington	101,174 04	COST OF EQUIPMENT JUNE 30 1907.	
New Coal Pier No. 12 at Newport News	357,117 98	The Cost of Equipment June 30 1906 was	\$12,616,034 12
Improvements, South Side Branch	235,120 95	Add for:	
Improvements, North Street Basin, Richmond	50,245 43	28 Locomotives	\$513,019 10
Miscellaneous Buildings	12,206 67	31 Passenger Cars	314,155 26
		494 Freight (Box) Cars	469,300 00
			1,296,474 36
		Cost of Equipment, as per Balance Sheet	\$13,912,508 48

EARNINGS AND EXPENSES FOR THE FISCAL YEARS ENDING JUNE 30, 1898 TO 1907, INCLUSIVE.

Years Ending June 30—	1898.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.
Earnings.										
Freight	\$ 9,262,998	\$ 9,062,879	\$ 10,095,144	\$ 11,842,213	\$ 12,833,806	\$ 12,510,006	\$ 14,869,188	\$ 16,039,313	\$ 19,395,648	\$ 19,974,861
Passenger	1,944,864	2,422,053	2,631,976	2,825,813	2,954,919	3,474,905	3,648,233	3,894,145	4,242,556	4,888,139
Express	1,388	13,410	171,908	189,426	226,820	245,489	297,482	297,411	339,721	385,104
Mail	321,359	322,957	324,678	349,884	365,923	368,396	372,283	393,529	423,088	416,554
Miscellaneous	114,353	48,341	129,264	163,204	142,910	112,805	110,340	99,974	201,976	132,204
Total Earnings	11,788,557	12,009,839	13,402,070	15,371,542	16,524,379	16,711,632	19,297,525	20,724,371	24,602,988	25,796,861
Expenses.										
Maintenance of Way and Structures	1,500,411	1,613,867	1,865,414	2,217,761	2,175,876	2,178,835	2,307,620	2,188,835	2,649,557	3,090,037
Maintenance of Equipment	1,631,488	1,708,247	1,909,241	2,253,307	2,669,292	2,679,021	3,659,382	4,077,943	4,469,590	4,721,346
Operating Transportation—Traffic	4,277,481	4,100,927	4,686,310	4,844,375	5,264,112	5,839,230	6,420,666	4,409,768	434,755	482,444
Operating Transportation—Operational								6,267,486	6,959,355	7,955,064
General Expenses	244,151	235,022	245,820	250,437	289,213	355,636	395,522	306,934	356,391	401,416
Total Expenses	7,653,530	7,658,063	8,706,785	9,565,880	10,398,492	11,052,723	12,783,100	13,250,966	14,869,649	16,650,307
Net Earnings	4,135,027	4,351,777	4,695,285	5,805,661	6,125,886	5,658,879	6,514,335	7,473,405	9,733,339	9,146,554
Proportion Expenses to Earnings	64.9%	63.7%	64.9%	62.2%	62.9%	66.1%	66.2%	63.9%	60.4%	64.5%

BROOKLYN RAPID TRANSIT COMPANY.

ANNUAL REPORT FOR THE YEAR ENDING JUNE 30 1907.

85 Clinton Street,
Brooklyn, N. Y., September 1st, 1907.

Comparative Statement of the Results of the Operations of the
Brooklyn Rapid Transit System for Years ending June 30
1907-1906;

	1907.	1906.	Increase (+) or Decrease (-).
Gross Earnings from Op- eration	\$ 19,381,587 15	\$ 18,473,328 10	+908,259 05
Operating Expenses	11,465,704 76	10,441,377 37	+1,024,327 39
Net Earnings from Operation	7,915,882 39	8,031,950 73	-116,068 34
Income from Other Sources	555,165 93	323,935 62	+231,230 31
Total Income	8,471,048 32	8,355,886 35	+115,161 97
Less Taxes and Fixed Charges	6,026,386 72	5,612,934 23	+413,452 49
Net Income	2,444,661 60	2,742,952 12	-298,290 52
Out of which was taken for Betterments and Additions to Property	442,063 37	580,342 87	-138,279 50
Surplus for the Year	2,002,598 23	2,162,609 25	-160,011 02
Add for Judgment recovered from City of New York ac- count Wire Privileges	39,798 33		+39,798 33
Surplus for June 30 1906-05	2,042,396 56	2,162,609 25	-120,212 69
Surplus June 30 1907 and June 30 1906	4,117,959 37	3,147,332 45	+970,626 92
Of this amount there has been appropriated—			
Old accounts written off		522 98	-522 98
Depreciation Adjustments	12,127 65		+12,127 65
For Discount on Bonds Sold	371,825 24	571,246 66	-199,421 42
Contingent Reserve Fund		500,000 00	-500,000 00
Total Appropriations	383,952 89	1,071,769 64	-687,816 75
Balance Surplus June 30 1907 and June 30 1906	3,734,006 48	2,075,562 81	+1,658,443 67

Divisional statement given below shows comparative
gross earnings for the last three fiscal years:

	1907.	1906.	Increase.	Per cent '07 over 1906.	1905.	Increase.	Per cent '07 over 1905.
Passenger:	\$	\$	\$	\$	\$	\$	\$
Surface	11,323,084	11,531,125	*208,041	*1.80	10,345,111	977,973	9.45
Elevated and Bridge	7,120,899	6,055,597	1,065,302	17.59	5,304,289	1,816,610	34.25
Freight, Express, Mail, etc	789,180	740,799	48,381	6.53	560,533	228,647	40.79
Advertising	148,424	145,807	2,617	1.79	123,511	24,913	20.17
Total	19,381,587	18,473,328	908,259	4.92	16,333,444	3,048,143	18.66

*Decrease.

The following is a comparative statement of gross earnings
from operation for the six years beginning July 1 1901 and
ending June 30 1907:

Year ending June 30—	Increase over prev. twelve months.
1902	\$12,510,622
1903	13,280,321
1904	14,755,158
1905	16,333,444
1906	18,473,328
1907	19,381,587

SUMMARY OF CONSTRUCTION EXPENDITURES BROOKLYN
RAPID TRANSIT SYSTEM, FISCAL YEARS 1907-1906.

	1907.	1906.
Right of Way	\$84,784 72	\$93,459 87
Track and Roadway Construction	1,934,453 57	1,286,718 68
Electric Line Construction	495,688 36	438,467 54
Real Estate	37,367 20	134,851 60
Buildings and Fixtures	728,209 56	1,111,659 50
Power Plant	1,434,318 86	1,718,398 38
Shop Tools and Machinery	134,623 73	106,397 75
Cars and Electrical Equipment	762,787 39	3,460,833 93
Miscellaneous Equipment	13,166 48	46,480 63
Miscellaneous	77,786 17	16,867 90
	\$5,703,186 04	\$8,414,135 78

The influence of exceptionally unfavorable weather which
characterized a good part of the fiscal year, and steadily ad-
vancing cost of labor and materials, are reflected in both
earnings and expenses.

The total Earnings from Operation for the twelve months
ending June 30 1907 are \$19,381,587, an increase of 4.92 per
cent over the previous fiscal year.

The percentage of Operation to Earnings is 59.16 per cent
as compared with 56.52 per cent for the year ending June 30
1906.

Net Earnings from Operation are \$7,915,882, a decrease of
\$116,068.

The amount of Surplus after making all deductions is
\$2,002,598, equal to 4.45 per cent on the Capital Stock of the
Brooklyn Rapid Transit Company.

There were carried 511,839,437 passengers, an increase of
59,235,234, or 13.1 per cent over the previous fiscal year.

The average gross earnings per passenger is 3.60 cents as
compared with 3.89 cents for the preceding year, a loss per
passenger of 7.5 per cent.

The average net earnings per passenger (with no deduc-
tions for special appropriations or fixed charges) is 1.48 cents
as compared with 1.70 cents for the previous year. This deduc-
tion in net per passenger is accounted for partly by the
increase of 41.2 per cent in number of transfers collected.

The average number of cars operated daily for the twelve
months ending June 30 1907 is 2,093 as against 1,922 for the
previous year, an increase of 9 per cent.

The total passenger car mileage is 68,273,181, an increase
of 4,615,858, or 7.2 per cent.

In considering the increase in the average number of cars
operated daily—and the average number of passengers car-
ried each day per car, there should be taken into account
the greater seating capacity of the cars placed in operation
during the fiscal year ending June 30 1907.

During the past year seven additional Supreme Court and
several Municipal Court judges were elected, increasing the
capacity of the Trial Courts about 40 per cent, thereby ex-
pediting settlement of pending actions. The number of
cases disposed of during the year increased about 36 per cent,
which explains in large part the increase of 15.74 per cent
in the item of damage and legal expenses, shown on page 21
(pamphlet report).

ADDITIONS TO AND IMPROVEMENT OF PROPERTY.

ROLLING STOCK.

Elevated Equipment.

One hundred elevated motor passenger cars have been
ordered for delivery in the latter part of the year 1907.
These cars will be constructed in all respects in accordance
with approved standards, and will be equipped with two
200-horse-power motors, multiple-unit control and air
brakes. One special steel motor passenger car has also
been ordered.

Surface Equipment.

One hundred and forty-three surface convertible passenger
cars and thirty freight cars (ten box and twenty gondola)
have been received and placed in operation. The convertible
passenger cars are each equipped with four 40-horse-power
motors and air brakes. The freight cars are operated on the
steam franchise lines and hauled by electric locomotives.

One hundred closed surface passenger cars have been
ordered for delivery during August and September 1907.
These cars will be equipped with two 60-horse-power motors,
and by removal of sash will be suitable for summer service.

One 600-horse-power electric locomotive, one box car for
transportation of supplies between store-rooms and repair
shops, and four motor cars for use at ash dumps have been
constructed in the repair shops. Fifteen wrecking cars and
twelve cars for transportation of scrap metal have been con-
structed out of obsolete equipment.

Three hundred and sixty-four passenger cars have been
vestibuled.

Each surface car has been equipped with an additional
fare register for the registration of transfer tickets.

Specifications are being prepared for one hundred addi-
tional elevated and one hundred surface motor passenger
cars.

REPAIR SHOP IMPROVEMENTS.

New Shop Machinery.

The 52d Street Surface repair shop and Southern and
Eastern Division, and 39th Street Elevated repair shops,
have each been improved by the installation of additional
machinery.

New Inspection Building.

A building for the inspection of Elevated equipment at the
intersection of Lutheran Cemetery and Fresh Pond Road is
nearing completion, and will be ready for use early this fall.

POWER AND SUB-STATION IMPROVEMENTS.

Williamsburg Power Station.

Two 7,500-K.W. turbo-generator units have been put in
operation. Five 10,000-K.W. turbo units, together with
boilers, condensers, steam piping and miscellaneous equip-
ment have been contracted for, and two of these will be put
in service during the ensuing year. The extension of the
power station building to accommodate the additional units
will be completed early in the year 1908.

Eastern Power Station.

The equipment has been improved by the installation of
improved type circuit breakers. Two jet condensers have
been installed, and two additional equipments ordered to
replace surface condensers. The grate surfaces of all boilers
have been enlarged, permitting more economical operation.

Central Power Station.

Grate surfaces in all boilers in the Central Power Station
have also been enlarged.

Sub-stations.

Four sub-stations have been completed and put in op-
eration:

New Utrecht Sub-station; capacity	2,000 K.W.
Canarsie Sub-station; capacity	2,000 K.W.
Hudson Sub-station	6,000 K.W.
Richmond Hill Sub-station	1,000 K.W.

Five sub-stations are under construction and nearly completed:

Corona Sub-station; ultimate capacity.....	4,000 K.W.
Lexington Sub-station; ultimate capacity.....	10,000 K.W.
East New York Sub-station; ultimate capacity.....	10,000 K.W.
Prospect Park Sub-station; ultimate capacity.....	10,000 K.W.
Lorimer Sub-station; ultimate capacity.....	10,000 K.W.

The capacity of the Tompkins and Myrtle Sub-stations has been increased by 500 K.W. and 2,000 K.W. respectively.

Plans are under way for the enlargement of the Bridge Sub-station from 6,000 K.W. to 13,000 K.W. capacity, and for two additional sub-stations, each of 10,000 K.W. capacity one to be located at the corner of Wyckoff Avenue and Palmetto Street, Ridgewood, and one at Fifth Avenue and 38th Street.

Capacity of Power Plant.

On June 30 1907 the combined rated capacity of the Power Stations aggregated 73,660 K.W., an increase of 15,000 K.W. over the previous year, or 25 per cent. The capacity of the individual plants is as follows:

Williamsburg.....	28,000 K.W.
Central.....	21,600 K.W.
Eastern.....	11,900 K.W.
Third Avenue.....	4,400 K.W.
Southern.....	4,200 K.W.
39th Street.....	3,560 K.W.

Total.....73,660 K.W.

The combined capacity of the sub-stations aggregated 47,000 K.W., an increase of 13,500 K.W., or 40 per cent. The capacity of the individual stations is as follows:

Halsey.....	6,000 K.W.
Essex.....	3,000 K.W.
Tompkins.....	5,000 K.W.
Bridge.....	6,000 K.W.
Southern.....	2,000 K.W.
Coney Island.....	4,000 K.W.
Parkville.....	4,000 K.W.
Myrtle.....	6,000 K.W.
New Utrecht.....	2,000 K.W.
Canarsie.....	2,000 K.W.
Hudson.....	6,000 K.W.
Richmond Hill.....	1,000 K.W.

Total.....47,000 K.W.

Subway Conduits and Feeders.

Upwards of twelve miles of underground conduits, or a total of more than one hundred and two miles of duct, have been constructed. 63.5 miles of high tension feeder cables and 20.4 miles of low-tension feeder cables have been installed in subway conduits, and 60 miles of overhead feeders have been erected.

ELEVATED STRUCTURES AND TRACKS.

Williamsburg Bridge.

Contract was entered into with the City on April 26th 1907 for the operation of elevated service across the Williamsburg Bridge to Manhattan. The City has laid tracks on the bridge and has under construction the Manhattan and Brooklyn terminal stations and the extension of the structure on the Brooklyn plaza. The erection of the connection between the Broadway elevated structure and the bridge structure on the plaza is under contract.

Structural Reinforcement and Repainting.

The reinforcement of 23,000 lineal feet of structure is completed and work is progressing on 17,500 feet more.

46,000 lineal feet of structure was cleaned and repainted and work is under way on 12,000 feet additional.

Canarsie Railroad.

The construction of the Canarsie Railroad, except as to one station, is completed.

Station Improvements.

Station buildings have been constructed on the Canarsie elevated line at Sutter Avenue and New Lots Road, and work is under way on a station at Livonia Avenue.

A waiting room has been built at the junction of the Lutheran Cemetery Line and Fresh Pond Road, and a station building is under construction at the Metropolitan Avenue terminus of the Lutheran Cemetery Line.

The station at Eastern Parkway and Snediker Avenue has been rebuilt and enlarged.

Fifty-six stations were repaired and repainted, and the platforms of fourteen stations on the Broadway and Myrtle Avenue Divisions were extended for six-car operation.

Interlocking Signals.

Modern electro-pneumatic interlocking signals have been provided at four locations, viz., junction of the Brighton Beach Division at Fulton Street and Franklin Avenue; junction of the Canarsie Railroad near Pitkin and Snediker Avenues; junction of the Myrtle and Lexington Avenue Divisions at Myrtle and Grand Avenues; and junction of Myrtle and Fifth Avenue Divisions at Myrtle Avenue and Navy Street.

An electro-pneumatic interlocking signal plant is under construction at the storage yard on the Lutheran Cemetery Railroad near Fresh Pond Road.

Nine minor mechanical plants were installed for the protection of cross-overs and bridges.

Gates were installed on private rights-of-way at eight highway crossings.

Rights-of-Way Fenced.

The rights of way of the Brighton Beach and Canarsie Lines and portions of the Lutheran Cemetery and West End Lines were fenced so as to define the railroad properties and prevent trespassing.

The right of way of the West End Division on Bath Avenue from Bay 19th Street to Twenty-first Avenue has been clearly defined by the installation of curbing with suitable crossings for vehicle traffic at street intersections, thus confining vehicle traffic to regular street crossings.

Track Improvements.

One mile of elevated track was re-laid with new 80-pound steel rail. Inside timber guard rails were laid on six miles of track. Ties, foot-walks and guard timbers have been renewed on approximately 4.5 miles of track.

Thirty-sixth Street Car Storage Yard.

Upon the completion of the new 36th Street repair shop the old building located on the structure near 36th Street and Fifth Avenue was removed, and the capacity of the car storage yard increased by the laying of tracks on the site of the old building.

SURFACE STRUCTURES AND TRACKS.

New Sixty-third Street Dock.

A dock consisting of two timber piers, each 500 feet in length, with a 90-foot slip between, has been constructed at the foot of 63d Street on the property taken in exchange with the Long Island Railroad Company for the old Sea Beach Railway dock at the foot of 65th Street. 10,000 feet of single track, with necessary turnouts, cross-overs and overhead work have been laid on the dock. Derricks, electric hoists and tools for the convenient and economical handling of materials have been installed, office quarters and storage sheds constructed, and the entire property fenced and equipped with water pipes for protection against fire.

New Buildings.

The Ninth Avenue depot and repair shop building is completed and in use.

The new Maspeth depot, repair shop and office quarters, with club rooms, waiting room, etc., located at Grand Street and Juniper Avenue, is nearing completion. This building is of fire-proof construction, and upon its completion the old building will be removed and car storage tracks laid on its site.

A modern two-story building is under construction on Nostrand Avenue, between President and Carroll streets, which will provide quarters for track and line departments, including stables, storage room and emergency crew quarters.

Quarters for Yard Master, Signal Engineer and Elevated trainmen have been constructed in the East New York yards.

An extension to the East New York Club House was erected and is used as a restaurant for the Company's employees.

Ash Stations.

An additional Incinerator Plant has been erected at Third Avenue and 3rd Street, and seven ash-receiving stations have been enlarged, viz., Flatbush Avenue, Ralph Avenue, Hamilton Avenue, Adams Street, Gates Avenue, Third Avenue and Herkimer Street Stations.

Coney Island Creek Bridges.

A rolling lift bridge has been constructed across Coney Island Creek on the West End Division and the old swing bridge removed. The shop work on a similar bridge for the Sea Beach Railway at Coney Island Creek has been completed, and the bridge will be erected during the ensuing year.

Surface Tracks.

The joints in 22 1/4 miles of surface tracks have been electrically welded, and 10 1/2 miles of double track improved pavement has been laid.

The tracks on Atlantic Avenue, between Flatbush and Washington Avenues, which were removed to facilitate the Long Island Railroad improvement on Atlantic Avenue, are being replaced.

Surface tracks on Brooklyn Bridge were re-laid with an improved type of rail and re-paved.

Grade Crossings Eliminated.

The depression of the Bay Ridge Division tracks of the Long Island Railroad has resulted in the elimination of three steam railroad grade crossings, viz., Flatbush, Gravesend and New Utrecht Avenues.

MISCELLANEOUS IMPROVEMENTS.

Brighton Beach Improvement.

The reconstruction of the Brighton Beach Line is nearing completion, and two tracks on the permanent line are in use. Work is under way on the thirteen station buildings and platforms, and the entire improvement will be completed during the present year.

The line when finished will consist of four tracks between Church Avenue and Brighton Beach, with express stations at Newkirk Avenue, Kings Highway and Sheepshead Bay.

That section between Fulton Street and St. Mark's Avenue is also under reconstruction, the old structure, which is of insufficient strength to carry the heavier loads imposed by electric operation, being replaced by earth fill and concrete retaining wall between streets with solid floor bridges across the streets. This improvement eliminates the objectionable curves and grades.

New and more commodious and convenient stations will be provided at Franklin Avenue and Dean Street. All necessary contracts for this improvement have been entered into and call for completion of the work early this fall.

CAR SERVICE.
Elevated Lines.

With the completion of the Ridgewood Incline, Surface cars were withdrawn on October 1 1906 from the Lutheran Cemetery Railroad, and the Myrtle Avenue Elevated service extended to Metropolitan Avenue, and transfers issued to the Flushing Line at Fresh Pond Road.

Surface Lines.

Ralph Avenue service was extended to Canarsie Depot at the junction of Rockaway Avenue and New Lots Road upon completion of the extension through Ralph Avenue and East 98th Street.

TAXATION.

The burden of taxation continues to be heavy and, as we believe, is unjustly discriminatory against the property of public service corporations. Official efforts in recent years seem to have been stimulated to devise as many methods as possible of imposing taxation, direct or indirect, upon corporations possessing public franchises, such impositions being unequal as compared with the burdens which other property has to bear, resulting in the double, treble and even quadruple taxation of the same class of property and crippling the power of the corporations to furnish such additional transportation facilities as would compensate the people to a far greater extent than the benefit to be derived in the swelling of the City and State revenues. A million dollars of excessive taxation would pay the interest at five (5) per cent on twenty million dollars invested in extensions of lines or enlargement of facilities, the expenditure of which, judging from the history of transportation in Brooklyn, would so encourage municipal development as to yield to the City many times one million dollars in taxation by reason of increased assessed valuations. Our policy and practice have been not to resist the payment of any tax which is lawful and not excessive or unequal. With one or two exceptions we have not contested any tax during the last twelve years where the Courts have not finally sustained our position in whole or in part. The attitude of resistance, however, whether justified or not, is not an agreeable one, and we prefer not to assume it except as we are so compelled by the enormity and inequality of the burdens imposed. The system is liable for thirteen different kinds of taxes and impositions, of which only three and part of the fourth are taxes upon physical property. The remainder are impositions or burdens solely upon the intangible property of the system—upon the right to exist as corporations and to occupy public streets and places.

The aggregate of these taxes and impositions for the calendar year 1907 as already assessed, or as estimated where the precise amount is not at present ascertainable, is \$2,252,000. Of this amount \$677,000 is not charged as taxes on the system's books, but is included in other operating expense accounts. An additional sum of \$245,000 represents taxes, which under Section 46 of the Tax Law, as construed by the Court of Appeals, are to be credited against the special franchise taxes, and therefore should be deducted from the total. This would leave \$2,006,000 of direct or indirect taxes to be paid during the year, if the assessments all stand without reduction, of which \$1,329,000 would appear in the tax accounts of your corporation. There was charged during the fiscal year ending June 30 1907 against taxes by all companies \$893,782 44, but that amount is not properly comparable with the taxes actually paid during the fiscal year, or with the taxes actually assessed during the fiscal year, because the various kinds of taxes accrue from different periods, and the larger part of the increased taxes for the current calendar year is not payable until October next.

The Companies' practice has been to charge to taxes an amount which on a conservative estimate would represent the taxes for which the companies will be actually liable after a review by the Courts of what are believed to be unlawful, excessive or unequal assessments.

The only taxes in litigation at the present time are those affecting the companies' tracks and lands constituting private rights of way, and special franchise taxes. As to the former there is still to be paid, if the assessments stand in full, except as already reduced by decisions of a Referee, \$114,-

100 68, and there is reserved on the books for payment of this balance when determined \$173,952 42, or an excess charge, if no reduction is obtained by litigation, of \$59,-851 74.

As to the special franchise taxes for the years 1900 to 1906 inclusive, all down to and including the year 1904 have been paid in full, less rebates authorized by Section 46 of the Tax Law, with the exception of the taxes against the Coney Island & Gravesend Railway Company and the taxes in the Borough of Queens against The Brooklyn City and the Brooklyn Queens County & Suburban Railroad Companies, which are in litigation.

On account of the great increase in assessments by the State Board of Tax Commissioners in 1905 and 1906 a large part of the taxes for those years is also in litigation.

A summary of the situation as to the special franchise taxes of all companies for the years 1900 to 1906 inclusive is as follows:

Amount of tax on valuations as reduced by Court Orders.....	\$1,663,077 31
Amount of tax on valuations admitted by companies on assessments still in litigation.....	607,510 54
Deductions allowed by Sec. 46 of Tax Law.....	1,329,383 28
Amount of net tax paid, excluding interest.....	983,702 99
Amount of tax still to be paid if no further reductions are obtained after crediting deductions under Sec. 46 where not previously credited.....	506,360 65
Amount reserved on companies' books to Nov. 1 1906, less amounts paid.....	302,588 72
Balance to be charged in case no further reductions are obtained.....	203,771 93

It would seem from the decisions of the Court in previous cases that a great part of this additional charge would not have to be made, inasmuch as the assessments should be considerably reduced as the result of litigation, and in any event the excess charge to taxes affecting private rights of way can be applied towards any deficiency in the special franchise tax charge, making a comparatively small amount, if any, to be charged out, even if no substantial reductions are obtained.

FINANCIAL.

	<i>Par Value.</i>
There were in the Treasury, unsold, at the beginning of the fiscal year, Brooklyn Rapid Transit First Refunding Gold Mortgage 4 per cent Bonds.....	\$943,000 00
There were issued during the fiscal year on account of Construction Expenditures, or for the purchase or exchange of securities.....	6,867,000 00
Total Brooklyn Rapid Transit First Refunding Gold Mortgage 4 per cent Bonds available, all Companies.....	\$7,810,000 00
Of these, there were sold during the year.....	3,186,000 00
Leaving on hand June 30 1907.....	\$4,624,000 00
Of these, there were owned by the Brooklyn Rapid Transit Company.....	\$3,645,000 par value
And by The Nassau Elec. RR. Co.....	979,000
In addition, there had been expended to June 30 1907.....	\$4,844,935 25
for which bonds may be issued.	

The net amount of discount, etc., on bond sales during the year was \$371,825 24, which amount has been deducted from the surplus, as shown on a previous page. Of the bonds issued, \$250,000, par value, were given in exchange for an equal amount of The Nassau Electric Railroad Company's 4 per cent Consolidated Bonds and \$6,617,000 were issued for stocks of constituent companies purchased at a cost of \$7,946 88 and Certificates of Indebtedness of constituent companies (representing expenditures, the nature of which is generally outlined on a previous page of this report) purchased at par and amounting to \$6,609,036 14.

From the date of the Brooklyn Rapid Transit First Refunding Gold Mortgage, July 1 1902 to June 30 1907, there have been received from the Central Trust Company of New York, Trustee, in reimbursement of expenditures for construction and other purposes provided for in the mortgage 32,702 bonds of a par value of \$32,702,000.

During this five-year period the Company exchanged bonds of a par value of \$979,000 for securities of constituent companies and sold bonds of a par value of \$28,078,000, realizing therefor \$23,223,044 35, or \$4,854,955 65 less than the amount actually expended by the Company for additions, improvements and betterments, and the acquisition of property under the terms of the mortgage.

By order of the Board,

EDWIN W. WINTER,
President.

Brooklyn Rapid Transit Company,
85 Clinton Street, Brooklyn, N. Y.

—The "Chicago Evening Post" this week prints a Saturday financial supplement which will hereafter be a regular weekly feature of the paper. In this new section an effort is to be made to cover the world of business and finance with great completeness. Especial attention is to be paid to investments and the investor. In addition to the usual stock market quotations and analyses, Western securities, it is stated, will receive the detailed treatment which their growing importance has long demanded. In addition, the supplement is to include a number of other new features.

—Cramp, Mitchell & Shober, bankers, Real Estate Trust Building, are offering investors a limited amount of Muncie (Ind.) Electric Light Co. first mortgage sinking fund 5s, due 1932. These bonds are an absolute first mortgage and guaranteed by the American Gas & Electric Co. The firm gives the gross earnings of the Muncie Electric Light Co. for year ended Aug. 31 1907 as \$151,750; net earnings, \$80,104, and interest on bonds, \$25,000. Price on application.

—N. W. Harris & Co. of New York and Boston on October 1 opened an office in the Citizens' Building, Cleveland, in charge of Walter E. Bell. Mr. Bell has been in the bond business for the past thirteen years. He goes to Cleveland from Chicago, where he has been one of the managers of the bond department of the Harris Trust & Savings Bank, which in January last took over the Chicago business of N. W. Harris & Company.

—Clement & Smith, members New York Stock Exchange, 1 Nassau Street, will mail to those interested their special circular explaining the attractive features of Pennsylvania R.R. Co.'s 3½% convertible bonds, yielding 5¼% at present price.

—The New York Stock Exchange house of Miller & Co. announces the removal of its uptown branch at 20th Street and Fifth Ave to new quarters in the Hoffman House. Milton J. Rosenberg has the personal management of this office.

The Commercial Times.

COMMERCIAL EPITOME.

Friday Night, Oct. 11 1907.

There is a tendency to keep within conservative limits in trading, but aside from some depression in metal industries prices are on the whole steady...

LARD on the spot has been firmer, owing to a rise in futures and some increase in demand, partly for export account. Offerings have continued light.

DAILY CLOSING PRICES OF LARD FUTURES IN CHICAGO.

Table showing lard futures prices for November, January, and May delivery across different days of the week.

PORK on the spot has been moderately active with mess easier and other grades firmer. Offerings have been light. Mess \$17@17 75, clear \$16 75@18 and family \$18 75@19 25.

OIL.—Cottonseed has been dull and irregular, declining early in the week and rallying later. Prime summer yellow 51@52c. Linseed has been quiet but stronger...

COFFEE on the spot has been moderately active and steady at 6 1/2c. for Rio No. 7. West India growths have been quiet and steady...

Table showing closing prices for various months from October to January, including coffee and other commodities.

SUGAR.—Raw has been dull and steady. Centrifugal, 96-degrees test, 3.95c.; muscovado, 89-degrees test, 3.45c.; and molasses, 89-degrees test, 3.10c.

PETROLEUM has been firm and active. Refined, barrels, 8.45c., bulk 5.00c. and cases 10.90c. Gasoline has been active and firm...

TOBACCO.—Trade in domestic leaf has been rather quiet in the main, though at times a fair volume of business has been done.

COPPER has been dull and easier; lake 14@14 1/4c., and electrolytic 13 3/4@13 1/2c. Lead has been quiet but steady at 6.45c.

COTTON.

Friday Night, October 11 1907.

THE MOVEMENT OF THE CROP as indicated by our telegrams from the South to-night is given below. For the week ending this evening the total receipts have reached 250,455 bales...

Table showing cotton receipts by port from Galveston to Philadelphia, categorized by day of the week and total for the week.

The following shows the week's total receipts, the total since Sept. 1 1907, and the stocks to-night, compared with last year:

Table comparing cotton receipts and stocks for October 11, 1907, with 1906 and 1907 totals since September 1st.

In order that comparison may be made with other years, we give below the totals at leading ports for six seasons:

Table showing cumulative cotton receipts at leading ports from Galveston to Philadelphia from 1902 to 1907.

The exports for the week ending this evening reach a total of 147,313 bales, of which 74,462 were to Great Britain, 4,976 to France and 67,875 to the rest of the Continent.

Table showing cotton exports from Galveston to Detroit, categorized by destination (Great Britain, France, Continent) and total for the week and since Sept. 1.

In addition to above exports, our telegrams to-night also give us the following amounts of cotton on shipboard, not cleared, at the ports named.

Paris, Texas.—There has been light rain on one day of the week, the rainfall being seven hundredths of an inch. Average thermometer 69, highest 88, lowest 49.

San Antonio, Texas.—There has been rain on two days the past week, the rainfall being thirty-two hundredths of an inch. The thermometer has averaged 73, the highest being 92 and the lowest 54.

Shreveport, Louisiana.—There has been rain on three days during the week, to the extent of two inches and six hundredths. The thermometer has averaged 72, the highest being 91 and the lowest 53.

Vicksburg, Mississippi.—There has been rain on three days during the week, the rainfall being one inch and ninety-one hundredths. Average thermometer 70, highest 88, lowest 51.

Helena, Arkansas.—We have had rain on three days of the week, the precipitation being one inch and eighty hundredths. The thermometer has averaged 66.8, the highest being 85 and the lowest 49.

Little Rock, Arkansas.—The weather has been favorable for the gathering and marketing of cotton, but the movement from plantations is very light. There has been rain on three days during the week, to the extent of one inch and fifty-nine hundredths. The thermometer has averaged 68, ranging from 50 to 86.

Montgomery, Alabama.—Picking and marketing are progressing well. We had rain on two days during the week, the rainfall being sixty-one hundredths of an inch. The thermometer has averaged 73, ranging from 51 to 86.

Savannah, Georgia.—We have had rain on three days of the past week, to the extent of forty-five hundredths of an inch. The thermometer has ranged from 56 to 86, averaging 72.

Nashville, Tennessee.—Weather ideal for gathering cotton, but the crop is two or three weeks late. It has rained during the week, the rainfall being one inch and six hundredths. Average thermometer 65, highest 85, lowest 44.

Charleston, South Carolina.—There has been rain on three days during the week, the rainfall being one inch and fifty hundredths. Average thermometer 73, highest 87, lowest 63.

Greenwood, South Carolina.—We have had no rain during the week. The thermometer has averaged 67, the highest being 77 and the lowest 57.

Charlotte, North Carolina.—We have had rain on one day the past week, to the extent of eight hundredths of an inch. The thermometer has ranged from 46 to 78, averaging 62.

INDIA COTTON MOVEMENT FROM ALL PORTS.—

The receipts of cotton at Bombay and the shipments from all India ports for the week and for the season from Sept. 1 for three years have been as follows:

October 10. Receipts at—	1907.		1906.		1905.	
	Week.	Since Sept. 1.	Week.	Since Sept. 1.	Week.	Since Sept. 1.
Bombay	5,000	44,000	6,000	26,000	5,000	43,000

Exports from—	For the Week.			Since September 1.		
	Great Britain.	Continent.	Total.	Great Britain.	Continent.	Total.
Bombay—						
1907		3,000	3,000		69,000	69,000
1906		11,000	11,000	1,000	55,000	56,000
1905	1,000	7,000	8,000	8,000	48,000	56,000
Calcutta—						
1907				1,000	5,000	6,000
1906					3,000	3,000
1905					2,000	2,000
Madras—						
1907					3,000	3,000
1906		1,000	1,000		3,000	3,000
1905		3,000	3,000		4,000	4,000
All others—						
1907		3,000	3,000	3,000	15,000	18,000
1906		2,000	2,000	1,000	19,000	20,000
1905		4,000	4,000		24,000	24,000
Total all—						
1907		6,000	6,000	4,000	92,000	96,000
1906		14,000	14,000	2,000	80,000	82,000
1905	1,000	14,000	15,000	8,000	78,000	86,000

According to the foregoing, Bombay appears to show a decrease compared with last year in the week's receipts of 1,000 bales. Exports from all ports India record a loss of 8,000 bales during the week and since Sept. 1 show an increase of 14,000 bales.

PORTO RICO COTTON CROP.—The production of cotton (Sea Island) in Porto Rico in 1906-07 was even smaller in volume than in the preceding season. As a matter of record, we give below the statistics for the last three seasons as secured from official sources:

	1906-07.	1905-06.	1904-05.
Exported from San Juan, &c.—	Bales.	Bales.	Bales.
To New York, &c.	222	747	1,513
To Great Britain and Continent.	360	692	569
Total crop.	582	1,439	2,082
Aggregate weight, pounds.	218,226	387,802	834,660
Aggregate weight per bale.	374.31	415.43	400.90

WORLD'S SUPPLY AND TAKINGS OF COTTON.—

The following brief but comprehensive statement indicates at a glance the world's supply of cotton for the week and since Sept. 1, for the last two seasons, from all sources from which statistics are obtainable; also the takings, or amount gone out of sight, for the like period.

Cotton Takings. Week and Season.	1907.		1906.	
	Week.	Season.	Week.	Season.
Visible supply Oct. 4	2,383,934	2,291,844	2,140,380	1,784,156
Visible supply Sept. 1	—	—	—	1,784,156
American in sight to Oct. 11	370,340	1,443,756	435,549	1,780,696
Bombay receipts to Oct. 10	5,000	44,000	6,000	26,000
Other India ship'ts to Oct. 10	3,000	27,000	3,000	26,000
Alexandria receipts to Oct. 9	37,000	85,000	36,000	74,700
Other supply to Oct. 9	8,000	38,000	10,000	37,000
Total supply	2,807,274	3,929,600	2,630,929	3,748,552
Deduct—				
Visible supply Oct. 11	2,585,913	2,585,913	2,342,419	2,342,419
Total takings to Oct. 11	221,361	1,343,687	288,510	1,406,133
Of which American	184,361	966,687	216,510	1,072,433
Of which other	37,000	377,000	72,000	333,700

a Embraces receipts in Europe from Brazil, Smyrna, West Indies, &c.

CENSUS BUREAU REPORT ON COTTON GINNING TO SEPT. 1.—

The Census Bureau issued on Oct. 4 its completed report on the amount of cotton ginned up to Sept. 25 from the growth of 1907 as follows, comparison being made with the returns for the like period of the two preceding years:

Year.	Counting round as gin-neries.	Year.	Counting round as gin-neries.
United States* 1907	1,569,977	1907	70,578
1906	2,057,283	1906	156,573
1905	2,355,716	1905	96,789
Alabama	1907 161,356	1907	82
1906	221,851	1906	1,050
1905	331,807	1905	245
Arkansas	1907 11,777	1907	40,112
1906	35,837	1906	44,877
1905	7,298	1905	119,237
Florida	1907 7,701	1907	13,382
1906	10,479	1906	8,149
1905	20,649	1905	8,853
Georgia	1907 341,948	1907	185,799
1906	281,585	1906	131,262
1905	596,711	1905	324,083
Indian Ter.	1907 17,329	1907	2,474
1906	9,421	1906	7,394
1905	13,766	1905	3,306
Kentucky	1907	1907	668,289
1906	30	1906	1,008,856
1905		1905	786,176
Louisiana	1907 49,959	1907	1,124
1906	139,511	1906	498
1905	46,503	1905	293

* Includes 41,356 round bales for 1907; 66,502 for 1906, and 74,816 for 1905; and 4,240 Sea Island for 1907; 2,689 for 1906, and 11,936 for 1905. The corrected report for Sept. 1 1907 is 200,278 bales. Statistics in this report for 1907 are subject to slight corrections when checked against the individual returns of ginners being transmitted to the Bureau by mail.

INTERNATIONAL COTTON CONFERENCE.—In the "Financial Situation" to-day we make reference to the proceedings at the recent International Conference at Atlanta.

BRAZIL'S COTTON PRODUCTION.—The Department of Commerce and Labor has a report from Consul-General G. E. Anderson of Rio de Janeiro, who says that, while the cotton product of Brazil cannot be accurately given, the crop has been rapidly increasing, as the export statistics will show. He writes:

The reported consumption of cotton by the Brazilian mills two years ago was approximately 52,000 metric tons (about 141,000 bales of 500 lbs. net weight). According to the figures now given for the number, size and output of the factories, this home consumption probably has reached considerably over 50,000 metric tons (about 220,000 bales of 500 lbs.). The exports of raw cotton from Brazil in 1906 amounted to 31,698 metric tons. Apparently Brazil's cotton production at present, therefore, is something over 80,000 metric tons. Practically all of the production of Minas Geraes and Sao Paulo is consumed in those States. The exports of raw cotton are almost entirely from the Northern States, and the amount and destination of the exports for the past two years appears from the following table:

Port—	—Metric tons—		Destination—	—Metric tons—	
	1905.	1906.		1905.	1906.
Maranhao	1,448	2,875	Germany	256	246
Iba do Cajueiro	2,377	2,563	Great Britain	17,854	23,265
Ceara	2,064	4,210	France	1,043	2,133
Cabedello	4,750	7,352	Portugal	3,824	3,947
Pernambuco	9,352	9,899	Russia	1,060	1,116
Macedo	2,497	3,462	Other countries	45	971
Other ports	694	1,307			

All ports 24,682 31,668 Total 24,682 31,668
500 lb. bales. 106,000 140,000 500 lb. bales. 106,000 140,000

The average price f. o. b. Brazil was 10.2 cents per pound in 1905 and 11.5 cents in 1906.

What the potential cotton production of Brazil may be is beyond calculation. Its present cotton-producing area covers the greater portion of the settled country, ranging from close to the Amazon to the extreme southern limits, probably about 1,800 miles in a north and south line. The present range east and west is comparatively narrow, but there is no reason why this weakness is due to a deterioration of the staple while the boll is maturing, the deterioration being due to the hot, damp climate in which the plant is at present grown.

There is a similar weakness shown in other fibre plants grown in this climate, but whether this fault can be cultivated out of the plant and whether cotton grown upon the highlands of the Interior States or in the dry States of the northeast of Brazil will have this same fault is yet to be shown.

There is little development in the manner of handling the cotton grown in Brazil in its packing and in getting it to the mills. The manufacturing industry, as a whole, is carried on at great distances from the source of supply of the raw material and the element of freights in the cost of ra-

cotton to Brazilian mills is so high that in almost any other country it would make the development of the industry impossible. There is a movement among some of the more advanced cotton producers to put the production of the staple upon a more economical basis. Heretofore, however, there has been great uncertainty as to the profits in cotton raising. Men have raised cotton chiefly when there was no other and more profitable crop in sight. The uncertain nature of the business has kept them from investing any more capital than has been absolutely necessary. The development of the cotton manufacturing industry of the country to its present proportions, however, has done away with most of this uncertainty. Cotton raising in Brazil has come to be a safe, profitable and promising investment, and modern methods will soon come.

EUROPEAN CONSUMPTION AND STOCKS OF COTTON.—International Federation Half-Yearly Census.—The fifth half-yearly census of cotton consumption and mill stocks has been taken by the International Federation of Master Cotton Spinners' & Manufacturers' Associations and the results officially issued under date of September 30 as follows:

The United States and Japan spindles are now included, and it appears that almost the whole of these are represented in the returns. There are also returns from the Levant and Egypt, but the numerical importance in these cases is small. Great Britain has made a slight improvement in her returns, but the proportion is still behind those of most of the Continental countries. Russia again makes a poor but a slightly improved return, and India is not yet represented. The total number of "spinning spindles actual returns" for the various countries canvassed is now 100,521,078 out of an estimated number at work of 114,096,168. The following table gives the consumption of cotton for the year ending Aug. 31 1907, according to actual returns:

Table showing Consumption in Bales for various countries (Gt. Britain, Germany, France, Austria, Italy, Switzerland, Belgium, Japan, Spain, Portugal, Russia, Holland, Sweden, Norway, Denmark, Levant, Egypt, U. States) with columns for American, Indian, Egyptian, and Sun-dries.

1907 tot. 100,521,078 11,668,575 1,768,293 616,896 855,429 14,909,193

The stocks of cotton in spinners' hands (or "invisible supply") are represented in the following table, which is also made up from actual returns:

Table showing Stocks in Bales for various countries with columns for American, Indian, Egyptian, and Sun-dries, and an 'Estimated Total No. of Spinning Spindles in Work' column.

1907 tot. 2,073,386 912,164 140,371 208,489 3,334,410 114,096,168

The Federation also gives the following interesting table, which divides the spindles returns which have been given into mule and ring, and also gives a list of spindles in course of erection. It will be noted, too, from this table that a number of Continental spindles, as well as the whole of those in Japan, are working at night.

Table showing Spindles in course of erection, to be in work during 1908, with columns for Mule Spindles, Ring Spindles, and Total.

x One mill with 19,200 spindles will be dismantled. a Approximate.

These tables show conclusively that the stocks in spinners' hands are very large, particularly upon the Continent, and their publication may fairly be expected to rank as a forcible argument on the subject. Lancashire spinners, it appears, have not excessive stocks, but Germany, France, Austria, Italy have all a large excess over those of a year ago. The spinners' stocks in the United States, too, seem to be largely increased, as they are now returned as 996,000 bales, whereas a year ago the Census Bureau gave them as 675,987 bales.

ALEXANDRIA RECEIPTS AND SHIPMENTS OF COTTON.—Through arrangements made with Messrs. Choremi, Benachi & Co., of Liverpool and Alexandria, we now receive a weekly cable of the movements of cotton at Alexandria, Egypt. The following are the receipts and shipments for the past week and for the corresponding week of the previous two years:

Table showing Receipts (cantars) and Exports (bales) for Alexandria, Egypt, comparing 1907, 1906, and 1905.

a A cantar is 99 lbs.

RECEIPTS FROM THE PLANTATIONS.—The following table indicates the actual movement each week from the plantations. The figures do not include overland receipts not Southern consumption; they are simply a statement of the weekly movement from the plantations of that part of the crop which finally reaches the market through the outports.

Table showing Receipts at the Ports and Stock at Interior Towns for various weeks in 1907, 1906, and 1905.

The above statement shows: 1.—That the total receipts from the plantations since Sept. 1 1907 are 1,137,983 bales; in 1906 were 1,464,337 bales; in 1905 were 1,824,157 bales.

2.—That although the receipts at the outports the past week were 250,455 bales, the actual movement from plantations was 313,524 bales, the balance going to increase stocks at interior towns. Last year receipts from the plantations for the week were 376,882 bales and for 1905 they were 390,614 bales.

MANCHESTER MARKET.—Our report received by cable to-night from Manchester states that the market is firm for yarns and steady for shirtings. Manufacturers are generally well under contract. We give the prices for to-day below and leave those for previous weeks of this and last year for comparison.

Table showing Manchester Market prices for various cotton types (32s Cop, 28s Cop, etc.) comparing 1907 and 1906.

SHIPPING NEWS.—As shown on a previous page, the exports of cotton from the United States the past week have reached 147,313 bales. The shipments in detail, as made up from mail and telegraphic returns, are as follows:

Table showing Shipping News for various ports (NEW YORK, GALVESTON, NEW ORLEANS, SAVANNAH, BRUNSWICK, WILMINGTON, BOSTON) listing ship names, destinations, and dates.

The visible supply of grain, comprising the stocks in granary at the principal points of accumulation at lake and seaboard ports Oct. 5 1907, was as follows:

	Wheat, bush.	Corn, bush.	Oats, bush.	Rye, bush.	Barley bush
New York.....	1,533,000	116,000	428,000	5,000	17,000
afloat.....	4,000	9,000	-----	-----	-----
Boston.....	304,000	10,000	131,000	-----	-----
Philadelphia.....	577,000	160,000	261,000	63,000	-----
Baltimore.....	925,000	198,000	138,000	-----	-----
New Orleans.....	456,000	86,000	-----	-----	-----
Galveston.....	676,000	33,000	50,000	-----	16,000
Montreal.....	511,000	-----	4,000	-----	-----
Toronto.....	15,000	-----	-----	-----	-----
Buffalo.....	1,340,000	379,000	245,000	83,000	84,000
afloat.....	-----	-----	-----	-----	-----
Toledo.....	1,633,000	220,000	472,000	8,000	-----
afloat.....	-----	-----	-----	-----	-----
Detroit.....	459,000	127,000	79,000	76,000	-----
afloat.....	-----	-----	-----	-----	-----
Chicago.....	11,857,000	322,000	509,000	409,000	-----
afloat.....	-----	-----	-----	-----	-----
Milwaukee.....	406,000	152,000	146,000	7,000	44,000
Fort William.....	873,000	-----	-----	-----	-----
Port Arthur.....	1,831,000	-----	-----	-----	-----
Duluth.....	3,584,000	15,000	289,000	38,000	2,215,000
afloat.....	-----	-----	-----	-----	-----
Minneapolis.....	4,577,000	104,000	1,467,000	67,000	1,241,000
St. Louis.....	3,641,000	69,000	312,000	6,000	2,000
afloat.....	-----	-----	-----	-----	-----
Kansas City.....	4,322,000	102,000	150,000	-----	-----
Peoria.....	-----	310,000	1,126,000	26,000	-----
Indianapolis.....	640,000	110,000	75,000	-----	-----
On Mississippi River.....	-----	-----	-----	-----	-----
On Lakes.....	2,352,000	1,301,000	252,000	16,000	499,000
On canal and river.....	1,075,000	29,000	12,000	-----	20,000
Total Oct. 5 1907.....	43,597,000	3,847,000	6,155,000	804,000	4,138,000
Total Sept. 28 1907.....	43,750,000	3,799,000	5,507,000	633,000	3,127,000
Total 6 1906.....	34,652,000	4,340,000	5,519,000	1,570,000	2,568,000
Total Oct. 7 1905.....	20,762,000	4,625,000	20,721,000	1,435,000	5,198,000
Total Oct. 8 1904.....	20,797,000	4,555,000	22,538,000	1,499,000	5,302,000
Total Oct. 10 1903.....	20,888,000	8,398,000	6,821,000	968,000	4,059,000
Total Oct. 11 1902.....	26,111,000	2,541,000	8,356,000	1,089,000	2,831,000

THE DRY GOODS TRADE.

New York, Friday Night, Oct. 11 1907.

Quiet conditions have again prevailed in the primary cotton goods market during the past week, and while a fair number of small orders have been received, buying generally has been of a hand-to-mouth character, with less disposition shown to enter into further forward commitments. At second hands, however, there has been a somewhat larger demand and re-sellers have had little difficulty in disposing of goods for shipment during the next two months or so. Concessions have again been granted in some instances, notably on brown cottons and gray goods, but in other sections the market has held quite steady. Monetary stringency is still one of the factors depressing prices and little relief is looked for in this direction during the next month or six weeks. While the jobbing trade has been quieter, jobbers have little cause for complaint considering the very heavy business they have transacted of late, particularly as reports coming in from the West and South announce a continued good retail demand, which will doubtless soon be reflected in duplicate ordering. The raw material situation is being carefully followed in an effort to throw some light on possible future developments, particularly as the decline in the value of cotton goods has not been in any way commensurate with the decline in the cotton market. The uncertainty of the yarn market is a further disturbing influence and the developments of the next six weeks are expected to decide to a great extent the future course of prices. Exporters are doing very little and the fact that other manufacturing centres have not raised prices to the same extent as they have been raised here is causing fears that the headway made in certain markets may be entirely lost. The men's wear woolen and worsted goods market is quiet, but there has been a fair trade in dress goods.

DOMESTIC COTTON GOODS.—The exports of cotton goods from this port for the week ending Oct. 5 were 1,582 packages, valued at \$142,970, their destination being to the points specified in the table below:

New York to October 5—	1907		1906	
	Week.	Since Jan. 1.	Week.	Since Jan. 1.
Great Britain.....	39	1,391	27	1,131
Other Europe.....	14	1,044	48	1,163
China.....	---	18,148	1,970	81,781
India.....	25	6,068	941	9,251
Arabia.....	---	24,420	4,299	40,936
Africa.....	7	3,916	1,015	10,030
West Indies.....	648	17,746	711	21,640
Mexico.....	69	1,895	16	1,620
Central America.....	201	10,444	464	11,855
South America.....	325	36,698	3,549	43,872
Other countries.....	254	21,418	531	14,066
Total.....	1,582	143,188	13,571	237,345

The value of these New York exports since January 1 has been \$8,551,382 in 1907, against \$13,594,649 in 1906.

Brown goods for immediate shipment have been in fair request at first hands, but offerings by re-sellers have resulted in lower prices for 3 and 4-yard sheetings and also for standard drills. Future business has been very quiet, but the conservatism of buyers, in view of monetary conditions, is not regarded as an unmixed evil. Light-weight sheetings have been ordered in small quantities and the undertone of the market is generally steady. Prominent makes of bleached goods are still so well booked ahead that the market

has not been affected by easiness in other directions, but low-count goods can be purchased at lower prices than those recently demanded in spite of continued steady but small orders. Wide sheetings, sheets and pillow cases are quieter and buyers show little disposition to purchase freely at the present time, believing that lower prices for spring will be named after the end of the year. Colored goods continue strong and mills are so well booked for forward delivery that no price changes are anticipated in the near future. The high price of linings is affecting business and sales have been small. Large orders have again been received for prints from the West and South and jobbers are unable to meet requirements. These and gingham are among the firmest of all lines, the latter, together with woven goods, selling well for spring. There has been little business in print cloths at first hands, but, under the influence of re-sales, gray goods are appreciably lower than last week.

WOOLEN GOODS.—Men's wear woolen and worsted goods selling agents are now principally employed in hastening delivery of sample pieces and watching the October settlements, and while complaints regarding the slowness of the former are fairly general, yet collections are considered satisfactory. There has been little doing in the way of new business, as this is considered one of the quiet periods of the year, but some encouragement has been derived from unexpected duplicate ordering for spring. In the case of wooleens this has been confined to the one or two houses which brought out lines that were successful from the start, but with worsteds it has been more general and conditions are considered as being quite satisfactory. Buying for the current fall season continues, and the demand still centres principally upon goods of brown colors. The overcoatings market is disappointing and is not expected to improve until some really cold weather sets in. Fancies are being generally shown in preference to plain goods. Buyers of dress goods have shown much more interest during the week and fair sales have been recorded. Plain colors continue by far the most popular and an increased demand is noted for plum shades. A fair business it still being done in fall goods, those lines which were most in favor during the initial buying period still receiving the greatest attention.

FOREIGN DRY GOODS.—Fair orders are being booked by importers of woolen and worsted dress goods for the fall of 1908, principally on staple worsteds at present prices. Silks are somewhat steadier in view of the expected settlement of the domestic throwsters' strike. Narrow ribbons are in heavy demand. Linens are firm and quiet. Burlaps are steadier on decreasing stocks of both light and heavy goods.

Imports and Warehouse Withdrawals of Dry Goods.

The importations and warehouse withdrawals of dry goods at this port for the week ending October 1907 and since Jan. 1 1907, and for the corresponding periods of last year, are as follows:

Imports Entered for Consumption	1907		1906	
	Week Ending Oct. 5 1907.	Since Jan. 1 1907.	Week Ending Oct. 5 1906.	Since Jan. 1 1906.
Manufactures of—	Pkgs.	Value.	Pkgs.	Value.
Wool.....	899	249,402	41,373	12,085,714
Cotton.....	2,540	786,944	123,465	39,319,793
Silk.....	1,862	911,740	70,486	37,466,345
Flax.....	1,518	370,366	70,740	10,346,868
Miscellaneous.....	1,846	290,012	142,606	11,878,603
Total.....	8,365	2,609,034	448,670	117,097,422
Warehouse Withdrawals Upon the Market.	Pkgs.	Value.	Pkgs.	Value.
Manufactures of—				
Wool.....	371	115,285	13,470	4,279,581
Cotton.....	799	237,116	27,268	8,808,493
Silk.....	205	113,181	9,439	5,061,737
Flax.....	556	150,453	18,886	4,710,207
Miscellaneous.....	850	64,296	108,057	2,912,827
Total withdrawals.....	2,800	700,331	177,120	25,772,845
Entered for consumption.....	8,365	2,609,034	448,670	117,097,422
Total marketed.....	11,165	3,309,365	625,790	142,870,267
Imports Entered for Warehouse During Same Period.	Pkgs.	Value.	Pkgs.	Value.
Manufactures of—				
Wool.....	393	116,713	13,713	5,242,035
Cotton.....	1,018	308,181	29,951	9,996,120
Silk.....	232	117,945	10,514	5,462,371
Flax.....	786	193,594	21,193	5,626,856
Miscellaneous.....	2,302	78,121	93,483	3,631,292
Total.....	4,731	814,554	168,854	29,958,674
Entered for consumption.....	8,365	2,609,034	448,670	117,097,422
Total imports.....	13,096	3,423,608	617,524	147,056,096

STATE AND CITY DEPARTMENT.

News Items.

Alabama.—*Extra Session of Legislature Probable.*—The Governor states that it will probably be necessary to call the Legislature in special session to convene about Nov. 7 for the purpose of further railroad legislation. The regular session ended Aug. 7.

Connecticut.—*Amendment to the State Constitution Defeated.*—Early returns from the election held Oct. 7 indicate the defeat of the proposed amendment in the form of a general revision of the State Constitution. See V. 85, p. 745. Of the total number of votes reported 15,093 were in favor of the proposition and 19,439 against.

Bond Calls and Redemptions.

Hartford, Conn., First School District.—*Bond Call.*—This district has called for payment Nov. 1 the following 4% coupon bonds dated May 1 1897:

Nos. 1, 2, 5, 6, 7, 8, 9, 14, 15, 16, 17, 21, 24, 25, 28, 32, 34, 35, 36, 38, 39, 40, 42, 44, 45, 54, 57, 60, 62, 64, 65, 68, 69, 70, 71, 74, 77, 78, 81, 82, 83, 84, 92, 98, 100, 103, 106, 107, 108 and 109.

Redemption will be made at the office of the Hartford Trust Co.

Bond Proposals and Negotiations this week

have been as follows:

Ackley Independent School District (P. O. Ackley), Hardin County, Iowa.—*Bond Sale.*—On Oct. 1 \$12,000 5-10-year (optional) coupon school-house bonds were awarded to the Wells & Dickey Co. of Minneapolis at 100.125 and accrued interest for 5s. Purchaser to furnish blank bonds. Following are the bids:

Wells & Dickey Co., Minneapolis—\$12,015 and accrued interest for 5s and furnish blank bonds.
Bumpus-Stevens Co., Detroit—\$12,011 for 5s.
S. A. Kean, Chicago—\$12,000 for 5s and furnish blank bonds.
W. J. Hayes & Sons, Cleveland—\$12,000 less \$360 for expenses for 5s and furnish blank bonds: \$12,003 for 6s.
MacDonald, McCoy & Co., Chicago—\$12,131 for 6s and furnish blank bonds.
O'Connor & Kahler, Chicago—\$12,031 and furnish blank bonds but no rate of interest named in bid.

Denomination \$500. Date Oct. 1 1907. Interest semi-annually at the First National Bank of Chicago. Bonds are exempt from taxatio. Bonded debt this issue. Assessed valuation \$3,000,000.

Adams County (P. O. Decatur), Ind.—*Bonds Not Sold.*—No sale was made on Sept. 17 of the following bonds offered on that day:

\$3,420 4½% coupon C. E. Bollinger macadam-road extension No. 4 (Monroe Township) bonds. Denomination \$171.
7,300 4½% coupon Fred. Blomberg macadam-road-construction (Preble Township) bonds. Denomination \$365.

These bonds are dated Sept. 15 1907. Interest semi-annual. Maturity one bond of each issue each six months from May 15 1908 to Nov. 15 1917 inclusive.

Adrian School District (P. O. Adrian), Lenawee County, Mich.—*Bonds Voted.*—On Sept. 30 this district, by a vote of 269 to 3, authorized the issuance of \$60,000 4½% school-building bonds. Interest semi-annual. Maturity \$6,000 yearly on Jan. 1 from 1913 to 1922 inclusive.

Akron, Summit County, Ohio.—*Bonds Authorized.*—The City Council on Sept. 23 passed an ordinance providing for the issuance of \$8,400 4½% coupon Hickory Street Improvement bonds. Denomination \$1,000, except one bond of \$400. Date Oct. 1 1907. Interest semi-annually at the National Park Bank in New York City. Maturity \$2,000 yearly on Oct. 1 from 1908 to 1910 inclusive and \$2,400 on Oct. 1 1911.

Alameda, Alameda County, Cal.—*Bonds Voted.*—An election held Sept. 21 resulted in favor of propositions to issue \$305,000 public-improvement bonds. The votes were as follows: Park play-ground bonds, 1,294 to 537; electric-light-plant-improvement bonds, 1,656 to 201; fire-apparatus bonds, 1,718 to 131; Bay Farm Island road bonds, 1,473 to 369; public-library-improvement bonds, 1,310 to 499; Webster Street roadway bonds, 1,663 to 175; and school-house bonds, 1,641 to 182.

Alderson Independent School District (P. O. Alderson), Monroe County, W. Va.—*Bonds Not Sold—Bond Offering.*—No satisfactory bids were received on Oct. 4 for the \$15,000 t% school bonds described in V. 85, p. 745. We are advised that these bonds are now being offered by White & White of Wheeling, who are acting as agents for this district.

Allentown School District (P. O. Allentown), Lehigh County, Pa.—*Bond Offering.*—Proposals will be received until 5 p. m. Oct. 21 by M. H. Bickert, Chairman Finance Committee, for \$40,000 4% coupon building bonds. Denomination \$500. Date Nov. 1 1907. Interest semi-annually in Allentown. Maturity on Nov. 1 as follows: \$4,000 in 1917; \$7,000 in 1922; \$7,000 in 1927; \$9,000 in 1932 and \$13,000 in 1937. Certified check for 5% of the amount bid, payable to A. P. Zellnes, District Treasurer, is required.

Alliance, Stark County, Ohio.—*Bond Offering.*—Proposals will be received until 12 m. Nov. 4 by Charles O. Silver, City Auditor, for \$19,250 4½% refunding bonds. Denomination \$500, except one bond of \$250. Date Nov. 15 1907.

Interest semi-annual. Maturity ten years. Certified check for 5% of the amount of bonds bid for, payable to the City Treasurer, is required. Bids to be made on blank forms furnished by the City Auditor.

Bonds Not Sold.—No bids were received on Sept. 11 for the \$20,000 4½% 1-5-year (serial) street-improvement assessment bonds and the \$7,500 4% 20-year street-paving (city's portion) bonds described in V. 85, p. 614.

Amesbury (Township), Essex County, Mass.—*Bond Sale.*—This township has sold \$27,000 4% registered school-house bonds. Maturity \$3,000 yearly on July 1 from 1908 to 1916 inclusive.

Ansonia, Darke County, Ohio.—*Bond Sale.*—On Oct. 7 the \$1,600 5% coupon street-improvement bonds described in V. 85, p. 817, were awarded to Frank Rhoades of Ansonia for \$1,605 (100.312) and accrued interest. A bid was also received from the Citizens' Bank Co. of Ansonia at par. Maturity \$800 in each of the years 1909 and 1910.

Ardmore, Ind. Ter.—*Bonds Defeated.*—An election held Sept. 24 resulted in the defeat of propositions to issue \$65,000 high-school, \$30,000 water, \$25,000 septic-tank and \$20,000 street bonds.

Auglaize County (P. O. Wapakoneta), Ohio.—*Bonds Authorized.*—It is stated that the County Commissioners have authorized the issuance of \$50,000 infirmiry-construction bonds.

Bay City, Bay County, Mich.—*Bond Sale.*—On Oct. 7 the \$150,000 5% local-improvement bonds described in V. 85, p. 818, were awarded, it is stated, to A. B. Leach & Co. of Chicago at par. Maturity on Nov. 1 as follows: \$75,000 in 1910, \$40,000 in 1912 and \$35,000 in 1914.

Bellevue, Huron County, Ohio.—*Bond Offering.*—Proposals will be received until 12 m. Oct. 30 (postponed from Oct. 3) by George Leiber, Village Clerk, for \$3,860 70 6% coupon Sandusky Street improvement assessment bonds. Denomination \$386 07. Date Sept. 1 1907. Interest semi-annually at the Village Treasurer's office. Maturity \$386 07 yearly on Dec. 21 from 1907 to 1916 inclusive. Certified check for 5% of the amount of bid is required. Purchaser to pay accrued interest.

Birmingham, Jefferson County, Ala.—*Bond Election Proposed.*—On Sept. 25 the executive committee of the Municipal Ownership League passed a resolution requesting the city Council to call an election to submit to the voters the question of issuing \$3,000,000 water-works-plant-construction bonds.

Blanchard School District (P. O. Blanchard), Page County, Iowa.—*Bond Sale.*—This district recently awarded the \$5,000 5% school-building bonds offered without success on Aug. 1 (V. 85, p. 542) to the Bankers' Life Association of Des Moines.

Brownsville, Cameron County, Tex.—*Bond Sale.*—On Sept. 30 the \$10,000 electric-light and the \$43,000 water-works 5% 20-40-year (optional) coupon bonds described in V. 85, p. 746, were awarded to the First National Bank of Brownsville.

Brunswick, Glynn County, Ga.—*Bond Election Proposed.*—There is talk of calling an election to submit to the voters a proposition to issue \$75,000 street-paving bonds.

Buncombe County (P. O. Asheville), N. C.—*Bond Election.*—An election will be held Oct. 29 to vote on the question of issuing \$200,000 bonds to subscribe to the capital stock of the Appalachian Interurban Trans-continental Company.

Cedar Hill Independent School District (P. O. Cedar Hill), Dallas County, Tex.—*Bonds Registered.*—The State Comptroller on Oct. 2 registered \$9,500 5% 10-40-year (optional) school-house bonds.

Chelsea (P. O. Station Boston), Mass.—*Note Sale.*—On Oct. 7 the \$115,000 5% notes for general municipal purposes, described in V. 85, p. 880, were awarded to Blodget, Merritt & Co. of Boston at 100.317. Following are the bids: Blodget, Merritt & Co., Bos. 100.317 | R. L. Day & Co., Boston. 100.07
Crocker & Fisher. [100.15
[a100.857]

a For notes maturing \$23,000 yearly on Dec. 1 from 1910 to 1912 inclusive
Maturity \$23,000 yearly on Dec. 1 from 1908 to 1912 inclusive.

Chicago, Ill.—*Bond Sale.*—This city has awarded \$500,000 coupon water bonds maturing Nov. 1 1912 to N. W. Halsey & Co. of Chicago. Although payable out of the revenue derived from the city water-works, the bonds are a direct lien on the general taxes levied against the entire city.

Chicago (Ill.) Sanitary District.—*Price Paid for Bonds.*—We are advised that of the \$1,000,000 4% coupon bonds awarded on Sept. 30 to the Harris Trust & Savings Bank and the Illinois Trust & Savings Bank, both of Chicago (V. 85, p. 880), \$700,000 were purchased by those institutions on a basis of about 4½% and \$300,000 on a basis of about 4⅞%.

Chinook, Chouteau County, Mont.—*Bond Election.*—An election will be held Oct. 16 to vote on a proposition of issuing electric-light-system-construction bonds.

Cincinnati, Hamilton County, Ohio.—*Bonds Authorized.*—The City Council on Sept. 16 passed an ordinance providing for the issuance of \$20,000 4% 30-year coupon fire-department bonds. Denomination \$500. Date Jan. 27 1908. Interest semi-annual.

Bond Offering.—Further details are at hand relative to the offering on Oct. 22 of the following bonds, mention of which was made in V. 85, p. 818:

\$257,000 4% coupon Gilbert Avenue viaduct bonds. Maturity Oct. 15 1937.

300,000 4% coupon park-extension bonds. Maturity Oct. 15 1957.

25,000 3.65% coupon Gest Street funding bonds. Maturity Oct. 15 1947.

Proposals will be received until 12 m. Oct. 22 by W. C. Culpkins, City Auditor. Authority Section 2835, Revised Statutes. Denomination \$500. Date Oct. 15 1907. Interest semi-annually at the American Exchange National Bank in New York City. Bonds are exempt from taxation. Purchaser to pay accrued interest. Each bid must be on a form furnished by the city and must be accompanied by a certified check for 5% of the bonds bid for, payable to the City Auditor. Official circular states that there is no litigation pending or threatened concerning the validity of these bonds and that there has never been any default in the payment of principal or interest.

Coal City, Grundy County, Ill.—Bond Sale.—Of \$3,000 5% 5-7-year (serial) water-system-extension bonds recently offered by this village, \$1,000 were awarded to John Formea, \$600 to the French Lodge, \$600 to the K. of P. Lodge, \$600 to B. Querio and \$200 to Thos. Powell Jr. The price paid was par. Denomination \$200. Date Oct. 1 1907. Interest annual.

Collinwood-Cleveland, Ohio.—Annexation Election.—An election will be held in Cleveland on Nov. 5 to vote on the question of the annexation of the village of Collinwood to the city of Cleveland.

Columbus, Muskogee County, Ga.—No Bond Election.—On Oct. 2 the City Council repealed the ordinance providing for an election Oct. 10 to vote on the proposition to issue the \$100,000 4% gold municipal-lighting-plant-construction bonds described in V. 85, p. 747.

Comanche, Comanche County, Texas.—Bonds Voted.—An election held Sept. 23 resulted in favor of propositions to issue \$11,000 additional-high-school, \$6,000 sewerage and \$5,000 additional-water-works bonds. The vote was 206 to 23 on the first proposition, 183 to 44 on the second and 178 to 50 on the third.

Concord, N. H., Union School District.—Bond Sale.—This district has disposed of \$30,000 3½% 20-year coupon bonds dated July 1 1907. Interest semi-annual.

Corona, Riverside County, Cal.—Bonds Proposed.—A resolution recommending the issuance of \$50,000 street-improvement, \$5,000 outfall sewer, \$20,000 city-hall and \$3,000 steam-roller bonds has been submitted to the City Trustees.

Dallas, Dallas County, Tex.—Bonds Authorized.—The City Commissioners on Oct. 4 passed ordinances providing for the issuance of the following bonds voted on May 21, as stated in V. 84, p. 1319:

\$500,000 4% gold water-works-improvement bonds. Denomination \$1,000. Maturity part yearly on Oct. 1 for forty years, unpaid bonds being subject to call after Oct. 1 1917.

100,000 4% gold street-improvement bonds. Denomination \$250. Maturity \$2,500 yearly on Oct. 1 but subject to call at option of the city.

50,000 4% gold public-school-building bonds. Denomination \$250. Maturity \$1,250 yearly on Oct. 1.

The above bonds are dated Oct. 1 1907. Interest payable at the Seaboard National Bank in New York City or at the State Treasury in Austin, Texas.

Darke County (P. O. Greenville), Ohio.—Bids.—The following bids were received on Sept. 26 for the \$45,000 2-6-year (serial) road-improvement and the \$40,000 ditch-improvement 4½% coupon bonds awarded on that day (V. 85, p. 819) to the Greenville National Bank, the Second National Bank and the Farmers' National Bank, all of Greenville, at their joint bid of 100.685:

Gr'nv. Nat. Bk. [W. J. Hayes & Sons, Cle., \$85,000 00
Sec'nd Nat. Bk. [Hayden, Miller & Co., Cle., 445,268 50
Frm's Nat. Bk. [Oels & Hough, Cleveland, 445,170 00
[Well, Roth & Co., Cincin., 227,082 10

a For the \$45,000 road-improvement issue. b For \$27,000 of the road-improvement issue.

Dayton, Montgomery County, Ohio.—Bond Offering.—Proposals will be received until 12 m. Nov. 2 by Edward Philipps, City Auditor, for the following coupon bonds:

\$8,000 5% police-station-house-construction bonds. Denomination \$1,000. Date Oct. 1 1907. Maturity \$1,000 yearly on Oct. 1 from 1908 to 1915 inclusive.

\$26,200 5% Sewer District No. 4 assessment bonds. Denomination \$1,000, except one bond of \$1,200. Date Nov. 1 1907. Maturity \$2,200 on Nov. 1 1908, \$2,000 yearly on Nov. 1 from 1909 to 1911 inclusive and \$3,000 yearly on Nov. 1 from 1912 to 1917 inclusive.

2,700 5% Broadway Street paving assessment bonds. Denomination \$2,700. Date Nov. 1 1907. Maturity Nov. 1 1908.

7,400 5% Dale Avenue paving assessment bonds. Denomination \$1,000, except one bond of \$1,400. Date Nov. 1 1907. Maturity \$1,400 on Nov. 1 1908 and \$1,000 on Nov. 1 in each of the years 1910, 1912, 1913, 1914, 1916 and 1917.

2,500 5% Broadway Street paving bond. Denomination \$2,500. Date Nov. 1 1907. Maturity Nov. 1 1908.

4,000 5% Wyandot Street paving assessment bonds. Denomination \$1,000. Date Nov. 1 1907. Maturity \$1,000 on Nov. 1 in the years 1910, 1912, 1915 and 1917.

5,000 5% Wolf Creek bridge-construction bonds. Denomination \$1,000. Date Oct. 1 1907. Maturity \$1,000 yearly on Oct. 1 from 1908 to 1916 inclusive.

3,500 5% Adams Street paving assessment bonds. Denomination \$1,000, except one bond of \$1,500. Date Nov. 1 1907. Maturity on Nov. 1 as follows: \$1,500 in 1911, \$1,000 in 1914 and \$1,000 in 1917.

4,000 5% Broadway Street paving assessment bonds. Denomination \$1,000. Date Nov. 1 1907. Maturity \$1,000 on Nov. 1 in each of the years 1910, 1912, 1915 and 1917.

2,500 5% one Street paving assessment bonds. Date Nov. 1 1907. Maturity Nov. 1 1908.

2,500 5% Buckeye Street paving assessment bonds. Date Nov. 1 1907. Maturity Nov. 1 1908.

300 5% Richard Street paving assessment bonds. Denomination \$1,000, except one bond of \$1,300. Maturity on Nov. 1 as follows: \$1,300 in the year 1910 and \$1,000 in each of the years 1912, 1915 and 1917.

Interest semi-annually in New York City. Certified check on a national bank for 5% of each issue, payable to the City Auditor, is required.

Delaware County (P. O. Delaware), Ohio.—Bond Offering.—Proposals will be received until 1 p. m. Oct. 22 by the Board of County Commissioners for \$37,580 4% county ditch-construction assessment bonds. Authority Sections 4480, 4481 and 4482, Revised Statutes. Denominations \$500 and \$258. Date Sept. 1 1907. Interest semi-annually at the County Treasurer's office. Maturity \$3,758 each six months from March 1 1908 to Sept. 1 1912 inclusive. Certified check for \$500 on some Delaware County bank, payable to the County Auditor, is required.

Bonds Not Sold.—No award was made on Oct. 10 of the \$184,780 4% road-improvement bonds described in V. 85, p. 880.

Denver, Lancaster County, Pa.—Bond Sale.—On Oct. 7 the \$2,500 4% 10-30-year (optional) registered water-works-improvement bonds described in V. 85, p. 819, were awarded to A. J. Ream at 100.80—a basis of about 3.903% to the optional date and about 3.955% to full maturity. A bid was also received from Alvin W. Mentzer at 100.75.

De Pere, Brown County, Wis.—Bonds Authorized.—On Sept. 25 the City Council passed an ordinance providing for the issuance of \$6,000 5% coupon water-works-extension bonds. Denomination \$300. Date Nov. 15 1907. Interest annually at the First National Bank in Chicago or the National Bank of De Pere, in De Pere, or the State Bank of De Pere, in De Pere. Maturity \$300 yearly on Jan. 15 from 1909 to 1926 inclusive and \$600 on Jan. 15 1927.

Des Moines, Polk County, Iowa.—Bonds Not to be Offered at Present.—We are informed that the \$350,000 city-hall bonds voted on June 20 (V. 85, p. 54) will not be offered until next summer.

Dona Ana County School District No. 28, N. Mex.—Bond Offering.—Proposals will be received until 12 m. Oct. 21 by Oscar Lohman, County Treasurer (P. O. Las Cruces), for \$3,500 6% school bonds. Denomination \$500. Date Aug. 1 1907. Maturity Aug. 1 1927, subject to call after Aug. 1 1917. Certified check for 5% of bid, payable to the County Treasurer, is required. Bonded debt at present, \$4,000.

Donora School District (P. O. Donora), Washington County, Pa.—Bond Sale.—Reports state that this district has awarded \$40,000 school bonds to William H. Donner of Donora.

Easton, Northampton County, Pa.—Bonds Proposed.—An ordinance providing for the issuance of \$27,000 fire-department-improvement bonds is before the Mayor.

Eastport, Washington County, Me.—Bond Sale.—This city recently disposed of \$25,000 4% refunding bonds maturing July 1 1937.

Elizabeth City County (P. O. Hampton), Va.—Bond Election.—An election has been called for Nov. 5 to vote on the question of issuing \$20,000 Hampton Creek bridge-construction bonds.

El Reno, Canadian County, Okla.—Bonds Not Sold.—No bids were received on Oct. 1 for the \$25,000 5% 10-20-year (optional) sewer-system-extension bonds described in V. 85, p. 819.

Enid, Garfield County, Okla.—Bonds Voted.—An election held Oct. 1 resulted in favor of the propositions to issue the \$285,000 sanitary-sewer, the \$10,000 sanitary-tanks, the \$55,000 warrant refunding, the \$25,000 fire-apparatus and the \$15,000 water-extension 5% bonds mentioned in V. 85, p. 482.

Escanaba School District (P. O. Escanaba), Delta County, Mich.—Bond Sale.—An issue of \$35,000 4½% 20-year school bonds was recently awarded to the First National Bank of Chicago. Denomination \$1,000. Date Oct. 1 1907. Interest semi-annual.

Essex County (P. O. Newark), N. J.—Bond Sale.—On Oct. 9 \$25,000 4% court-house bonds were awarded, it is stated, to the Prudential Insurance Co. at par.

Eugene, Ore.—Bond Election.—Local papers state that an election will be held Oct. 14 to vote on the question of issuing \$300,000 water bonds.

Fairbury, Livingston County, Ill.—Bond Sale.—On Sept. 28 \$3,000 5% water-extension bonds were awarded to C. H. Coffin of Chicago for \$3,031—the price thus being 101.033. Denomination \$1,000. Date Sept. 1 1907. Interest annually on May 1. Maturity \$1,000 on Sept. 1 in each of the years 1919, 1920 and 1921.

Falls City, Richardson County, Neb.—Bond Sale.—Of \$25,000 10-20-year (optional) water-system-extension, \$10,000 10-20-year (optional) electric-light-system-extension and \$5,000 10-year park-purchase 5% coupon bonds offered on Sept. 23, \$5,000 park-purchase bonds were awarded to W. A. Greenwald of Falls City at par. Authority election held July 16. Denomination \$500. Interest annually at the Fiscal Agency of Nebraska in New York City.

Farland, Fremont and Railroad Drainage District (P. O. Fremont), Dodge County, Neb.—Bonds Proposed.—This district is considering the advisability of issuing \$25,000 6% 1-20-year (serial) coupon improvement assessment bonds. The amount of bonds to be issued will be reduced by the amount of assessments paid in cash previous to the date of sale.

Fort Pierre Independent School District (P. O. Fort Pierre), Stanley County, S. D.—Bids Rejected.—All bids received on Sept. 30 for the \$19,000 5% 10-20-year (optional) school bonds offered on that day (V. 85, p. 616) were rejected.

Fort William, Ont.—Debenture Sale.—This city has awarded \$66,850 25-year sewer and \$32,000 30-year waterworks 4½% debentures to Wood, Gundy & Co. of Toronto.

Foster County (P. O. Carrington), N. D.—Temporary Injunction.—We are informed that a temporary injunction has been granted restraining the county from disposing of the \$75,000 4% 20-year court-house bonds offered without success on Aug. 10.

Fountain County (P. O. Covington), Ind.—Bond Sale.—On Oct. 5 the following six issues of 4½% road bonds aggregating \$34,120, were awarded to Charles C. Wedding & Co. of Indianapolis at par:

\$5,400 4½% J. V. Philpott Road construction (Jackson Township) bonds. Denomination \$270.
8,200 4½% E. M. Philpott Road construction (Jackson Township) bonds. Denomination \$410
4,800 4½% H. D. Allen Road construction (Jackson Township) bonds. Denomination \$240.
5,760 4½% M. L. Kroust Road construction (Jackson Township) bonds. Denomination \$288.
2,160 4½% Howard Smith Road construction (Jackson Township) bonds. Denomination \$108.
7,800 4½% Henry Glascock Road construction (Mill Creek) bonds. Denomination \$195.

Authority Indiana Road Law of 1907. Date Aug. 26 1907. Interest semi-annual. Maturity one bond of each issue each six months from May 15 1908 to Nov. 15 1917 inclusive, except the last issue, which matures \$195 each six months from May 15 1908 to Nov. 15 1927 inclusive.

Fremont, Sandusky County, Ohio.—Bond Sales.—This city has awarded the \$2,032 4½% sewer-construction bonds offered on Sept. 6 (V. 85, p. 483) to the Fremont Savings Bank Co. of Fremont. Maturity \$100 each six months from April 1 1908 to April 1 1917 inclusive and \$132 on Oct. 1 1917.

An issue of \$4,500 bonds offered on Sept. 9 has been awarded to the Croghan Bank & Savings Co. of Fremont.

Georgetown School District No. 153 (P. O. Georgetown), King County, Wash.—Bonds Defeated.—An election held Sept. 14 resulted in the defeat of a proposition to issue \$15,000 school-house-site-purchase bonds. The vote was 150 "for" to 250 "against."

Gibson County (P. O. Trenton), Tenn.—Bond Election Proposed.—This county is considering the advisability of calling an election to submit to the voters the question of issuing \$500,000 road bonds.

Gila County (P. O. Globe), Ariz.—Bonds Authorized.—Chapter 17 of the Laws of 1907 authorizes the issuance by this county of \$25,000 8-20-year (optional) coupon court-house and jail bonds at not exceeding 5% interest.

Girard, Burke County, Ga.—Bond Sale.—On Oct. 1 \$10,000 school-building and site-purchase bonds were awarded, it is stated, to David S. Curtise of Chicago.

Girard, Trumbull County, Ohio.—Bond Offering.—Proposals will be received until 12 m. Oct. 25 by E. L. Hauser, Village Clerk, for \$2,000 5% building-repair bonds. Denomination \$500. Date Sept. 3 1907. Interest semi-annual. Maturity \$500 yearly on Sept. 3 from 1909 to 1912 inclusive. Certified check on some solvent bank of Trumbull County for 5% of the amount of bonds bid for, payable to the Village Treasurer, is required. Accrued interest to be paid by purchaser.

Goderich, Ont.—Debenture Sale.—On Sept. 30 \$20,000 4½% local-improvement debentures were awarded to Wood, Gundy & Co. of Toronto.

Graham, Young County, Texas.—Bonds Registered and Sold.—The State Comptroller recently registered \$9,000 5% 5-20-year (optional) water-works bonds. The city has sold these bonds.

Grand Rapids, Kent County, Mich.—Bond Offering.—Further details are at hand relative to the offering on Oct. 14 of the following bonds, mention of which was made in V. 85, p. 880:

\$250,000 4½% coupon Grand River flood-protection bonds. Authority an Act of the Legislature of 1907. Date Sept. 1 1907. Maturity Sept. 1 1932

153,000 4½% coupon street-improvement bonds. Authority, Section 199, Title 6, Sub-Division 1, Revised Charter of Grand Rapids. Date May 1 1907. Maturity \$51,000 yearly on May 1 from 1910 to 1912 inclusive.

9,000 4½% coupon sewer-construction bonds. Authority, Section 199, Title 6, Sub-Division 1, Revised Charter of Grand Rapids. Date May 1 1907. Maturity \$3,000 yearly on May 1 from 1910 to 1912 inclusive.

Proposals for these bonds will be received until 3 p. m. on that day (Oct. 14) by John L. Boer, City Clerk. Denomination \$1,000. Interest semi-annually at the City Treasurer's office in New York exchange. An unconditional certified check for 3% of bonds bid for, payable to the City Treasurer, is required. Purchaser to pay accrued interest.

Greenfield, Franklin County, Mass.—Bonds Awarded in Part.—Up to Oct. 8 \$39,000 of the \$35,000 library, the \$5,000 7-year park and the \$14,000 8-year school 4½% registered bonds offered but not awarded on Sept. 4 (V. 85, p. 616), had been disposed of at private sale.

Greenock Township (P. O. Pinkerton), Ont.—Debenture Offering.—Proposals will be received until 12 m., Oct. 21, by J. J. Donnelly, Clerk, for \$5,000 4% bridge debentures. Date Nov. 1 1907. Maturity part yearly for twenty years.

Greenville, Darke County, Ohio.—Bond Offering.—Proposals will be received until 12 m. Oct. 30 by J. C. Katzenberger, City Auditor, for \$26,500 4% coupon Greenville Creek bridge-construction (city's portion) bonds. Authority Section 2835, Revised Statutes. Denomination \$500. Date Aug. 31 1907. Interest annual. Certified check for 25% of the amount of bonds bid for, payable to the City Treasurer, is required. Accrued interest to be paid by purchaser.

Hamilton County (P. O. Aurora), Neb.—Bonds Defeated.—An election held Sept. 21 resulted in the defeat of a proposition to issue high-school-building bonds.

Hamilton School District (P. O. Hamilton), Butler County, Ohio.—Bond Election.—According to reports, an election will be held Oct. 19 to vote on the question of issuing \$40,000 bonds for the purchase and improvement of property for school purposes.

Henry County (P. O. Napoleon), Ohio.—Bond Sale.—On Sept. 14 \$70,000 4½% bridge bonds were awarded to Seasongood & Mayer of Cincinnati for \$71,775—the price thus being 102.5357—a basis of about 4.209%.

On Sept. 28 two issues of 4½% ditch bonds, aggregating \$22,500, were awarded to Hayden, Miller & Co. of Cleveland for \$22,561 50, the price thus being 100.051. Denomination \$2,500. Date Oct. 1 1907. Interest semi-annual.

Holdrege, Phelps County, Neb.—Bonds Voted.—An election held Sept. 24 resulted in favor of a proposition to issue sewer-system construction bonds.

Houlka, Chickasaw County, Miss.—Bond Offering.—This town is offering for sale \$7,000 6% school-building bonds at par less 2% commission. Purchaser to furnish bonds. O. M. Harrill is Acting Town Clerk.

Ironton, Lawrence County, Ohio.—Bonds Voted.—The election held Sept. 25 resulted in favor of the propositions to issue the Eltison Avenue storm-water-sewer, street improvement and flood-defensive-apparatus bonds, aggregating \$60,000, mentioned in V. 85, p. 749. The vote was 554 to 267 on the first proposition, 491 to 236 on the second and 509 to 257 on the third.

Islip Union Free School District No. 1 (P. O. Bay Shore), Suffolk County, N. Y.—Bond Sale.—On Oct. 10 the \$25,000 coupon or registered school-building-addition bonds described in V. 85, p. 881, were awarded to N. W. Harris & Co. of New York City for \$25,030 50.

Jefferson County (P. O. Beaumont), Tex.—Bond Offering.—Proposals will be received until 10 a. m. Oct. 21 by Jas. A. Harrison, County Judge, for the \$300,000 5% registered macadamized-road-construction bonds mentioned in V. 85, p. 483. Interest semi-annually in New York City. Maturity forty years, subject to call after twenty years. Certified check for \$1,000, payable to the County Judge, is required. Delivery of bonds \$100,000 at completion of sale and \$50,000 quarterly thereafter.

Jefferson County Common School District, Tex.—Bonds Registered.—On Oct. 4 \$1,000 5% school-house bonds were registered by the State Comptroller.

Johnstown, Cambria County, Pa.—Bonds Proposed.—This city is considering the advisability of issuing \$30,000 bridge bonds

Johnson City, Washington County, Tenn.—Bids Rejected—Bond Offering.—All bids received on Oct. 3 for the \$16,000 5% 20-year coupon sewer bonds, the \$34,000 5% 20-year coupon city-improvement bonds and the \$108,000 6% 1-10-year (serial) coupon district-improvement bonds described in V. 85, p. 820, were rejected. Proposals are again asked for these bonds and will be received, this time, until Nov. 1.

Kansas City, Wyandotte County, Kan.—Bond Offering.—Proposals were asked for up to 12.30 p. m. yesterday (Oct. 11) by George Foerschler Jr., City Clerk, for the following bonds:

\$62,500 4½% bonds for the refunding of outstanding certificates. Maturity twenty years.

32,452 4½% grading and sewer-improvement bonds. Maturity "from one to ten" years.
Denomination \$500. Date Oct. 15 1907. Interest semi-annually at the Kansas Fiscal Agency in New York City. The result of this offering was not known to us at the hour of going to press.

Kane School District (P. O. Kane), McKean County, Pa.—Bond Offering.—Proposals will be received until 6 p. m., Oct. 15, by Robert E. Shaner, District Treasurer, for \$20,000 4½% coupon school bonds. These securities are part of an issue of \$120,000 authorized by an Act of the General Assembly approved April 20 1874, with supplements and amendments thereto, and election held July 23 1907. Denomination \$1,000. Date Oct. 1 1907. Interest semi-annually at the District Treasurer's office. Maturity \$1,000 yearly on Oct. 1 from 1912 to 1931 inclusive. Certified check or cash for 10% of bid is required. Bonded debt at present, \$5,586 53. Assessed valuation, \$1,923,905.

Klickitat County School District No. 83, Wash.—Award Postponed.—Owing to the absence of the District Directors, the bids received on Sept. 28 for an issue of \$1,600 bonds offered on that day were not opened.

Kimball County (P. O. Kimball), Neb.—Bond Election Proposed.—This county proposes to hold an election to submit to the voters the question of issuing high-school-building bonds.

Lamar, Prowers County, Colo.—Bonds Not Sold.—Up to Oct. 4 no award had yet been made of the \$150,000 5% 10-15-year (optional) water-works-system-extension bonds offered on Sept. 2. For description of these securities see V. 85, p. 362.

Lebanon Center Fire Precinct, Grafton County, N. H.—Bond Offering.—Proposals will be received until 3 p. m. Oct. 15 by F. H. Hosford, Precinct Treasurer (P. O. Lebanon), for \$25,000 3½% refunding bonds. Denomination \$1,000. Date Nov. 1 1907. Interest semi-annually in Boston. Maturity Nov. 1 1927.

Libertyville School District No. 70 (P. O. Libertyville), Lake County, Ill.—Bonds Awarded in Part.—We are advised that \$3,000 more of the \$10,000 4% school-building bonds mentioned in V. 85, p. 543, have been awarded to local investors at par. This makes a total of \$6,000 bonds disposed of to date. Arrangements are now being made with the citizens of this place for the disposal of the remaining \$4,000 bonds at par.

Lind, Adams County, Wash.—Bond Sale.—This town recently awarded \$15,000 5% 10-20-year (optional) water-works-purchase bonds to the State of Washington. Denomination \$500. Date Oct. 1 1907. Interest semi-annual.

Louisville, Ky.—Bond Sale.—Up to Oct. 1 \$51,000 more of the \$1,000,000 4% Louisville Water Co. gold coupon mortgage bonds mentioned in V. 85, p. 617, had been disposed of. This makes a total of \$548,000 bonds sold up to date. Bonds mature July 2 1946.

Mahoning County (P. O. Youngstown), Ohio.—Bond Sale.—On Oct. 10 the \$960,000 4½% court-house-construction bonds described in V. 85, p. 749, were awarded to the Dollar Savings & Trust Co. of Youngstown at 103.125. Maturity \$16,000 each six months from March 1 1909 to Sept. 1 1935 inclusive and \$24,000 each six months from March 1 1936 to Sept. 1 1937 inclusive.

Manitowoc, Manitowoc County, Wis.—Bond Sale.—On Oct. 5 \$15,000 4% bridge-rebuilding bonds were awarded to the Manitowoc Savings Bank of Manitowoc for \$15,100 (100.666) and accrued interest from Nov. 1 1906. Denomination \$1,000. Interest semi-annual. Maturity part yearly on Nov. 1 in each of the years 1919, 1920 and 1921.

Marin County (P. O. San Rafael), Cal.—Bond Sale.—On Sept. 25 a \$25,000 5% 25-year lot purchase and building bond was awarded to James Harris & Co. at par. This was the only bid received. Date July 1 1907. Interest annual.

Marlinton, Pocahontas County, W. Va.—Bonds Not Sold.—No bids were received on Sept. 20 for the \$7,500 6% 20-year coupon street improvement bonds described in V. 85, p. 749.

Marshall County (P. O. Lewisburg), Tenn.—Bonds Voted.—An election held recently resulted in favor of a proposition to issue \$65,000 5% 20-year bonds in aid of the Nashville & Huntsville Railroad. We are advised that these bonds will not be placed upon the market "until the road is completed from Huntsville, Ala., through this county, which may be two or three years."

Massillon, Stark County, Ohio.—Bond Offering.—Proposals will be received until 12 m. Oct. 31 by J. U. Duglass, Secretary Sinking Fund Trustees, for the following bonds:

- \$11,500 4½% coupon storm-water-sewer bonds. Denomination \$500. Date June 1 1907.
- 6,000 4½% coupon street-improvement bonds. Denomination \$1,000. Date June 15 1907. Maturity \$1,000 on June 15 from 1910 to 1915 inclusive.
- 1,920 4½% coupon East and Railroad streets paving bonds. Denomination \$480. Date July 1 1907. Maturity \$480 on April 1 from 1909 to 1912 inclusive.
- 2,000 4½% coupon sidewalk and crosswalk bonds. Denomination \$500. Date Sept. 15 1907. Maturity \$500 on Sept. 15 from 1909 to 1912 inclusive.
- 2,000 4½% coupon East Tremont Street retaining-wall and sidewalk bonds. Denomination \$500. Date Oct. 1 1907. Maturity \$500 on Oct. 1 from 1910 to 1913 inclusive.

Authority Section 2835 Revised Statutes. Interest semi-annually at the State Bank of Massillon. Certified check on some solvent bank for 5% of the amount of bonds bid for, payable to Henry Suhr, President Sinking Fund Trustees, is required. Bids to be made on blank forms furnished by the Secretary of the Sinking Fund Trustees. These securities were offered on Sept. 23 but all bids received on that day were rejected. Bonds are not new issues but securities held by the Sinking Fund as an investment.

Menominee County (P. O. Menominee), Mich.—Bonds Awarded in Part.—We are advised that only part of the \$20,000 4½% gold coupon agricultural-school-building bonds described in V. 85, p. 617, have been disposed of. These bonds were taken by local investors and are dated Oct. 1 1907. The remainder of these bonds will not be offered at present.

Meridian, Lauderdale County, Miss.—Bonds Voted.—An election held here on Sept. 27 resulted in favor of a proposition to issue \$50,000 5% 20-year water bonds. The result was 330 "for" to 210 "against."

Milford, New Haven County, Conn.—Bonds Awarded in Part.—We are advised under date of Oct. 8 that this town has disposed of \$4,000 of the \$50,000 4% 25-year coupon bonds mentioned in V. 85, p. 617, at par. Action will be taken on the remaining \$46,000 at a meeting to be held Oct. 14.

Missoula County (P. O. Missoula), Mont.—Bond Sale.—On Oct. 7 the \$175,000 court-house and the \$75,000 free-

high-school 10-20-year (optional) bonds described in V. 85, p. 882, were awarded to the State Land Commissioners of Helena as 4¼s.

Mitchell School District, Stanislaus County, Cal.—Bonds Not Sold.—Up to Oct. 2 no sale had yet been made of an issue of \$4,000 5% school bonds offered on Sept. 11. These bonds take the place of the \$4,000 5% school bonds awarded on July 10 to the Los Angeles Trust Co. of Los Angeles (V. 85, p. 177), which sale was never consummated, as the attorney for that firm declared that the election held for the authorization of these bonds was void.

Mocksville, Davie County, N. C.—Bonds Not Sold.—No bids were received on Oct. 1 for the \$5,000 5% coupon graded-school bonds dated July 1 1907, described in V. 85, p. 750.

Monclova Township (P. O. Monclova), Lucas County, Ohio.—Bond Offering.—Proposals will be received until 10 a. m. Nov. 2 by Don C. Whitehead, Township Clerk, for \$2,000 6% road-improvement bonds. Authority Section 2835, Revised Statutes. Denomination \$200. Date, day of sale. Interest semi-annually at the Township Clerk's office. Maturity \$1,000 six months after date and \$1,000 one year after date. Certified check or a cash deposit of \$200 is required. Purchaser to pay accrued interest.

Negaunee, Marquette County, Mich.—Bond Sale.—This city has disposed of \$10,000 5% electric-light bonds to local parties.

New Brighton School District (P. O. New Brighton), Beaver County, Pa.—Bond Offering.—Proposals will be received until Nov. 1 by P. C. Schofield, Secretary, for \$20,000 5% bonds. Denomination \$500. Date Oct. 1 1907. Interest semi-annually at the Old National Bank in New Brighton. Maturity \$500 yearly on Oct. 1 from 1909 to 1911 inclusive; \$1,000 yearly on Oct. 1 from 1912 to 1915 inclusive; \$1,500 yearly on Oct. 1 from 1916 to 1918 inclusive and \$2,000 yearly on Oct. 1 from 1919 to 1923 inclusive, all unpaid bonds being subject to call after Oct. 1 1917.

New Haven, Fayette County, Pa.—Bonds Not Yet Sold.—We are advised, under date of Oct. 7, that this borough is still in the market with the \$11,500 4½% gold coupon refunding bonds offered but not sold (V. 85, p. 544) on Aug. 5.

Newport News, Warwick County, Va.—Bonds Not Sold.—No sale was made on Sept. 30 of the \$100,000 4½% 40-year street-improvement bonds described in V. 85, p. 821.

Nichols, Muscatine County, Iowa.—Bond Sale.—On Sept. 10 \$2,300 5% 5-15-year (optional) city-hall bonds were awarded to T. B. Nichols at par. Denomination \$100. Interest semi-annually in May and November.

Norfolk, Norfolk County, Va.—No Bond Election.—We are advised that the report stating that an election would be held in September to vote on the question of issuing the \$100,000 city-hall, auditorium and market bonds mentioned in V. 85, p. 544, is erroneous.

Norfolk School District (P. O. Norfolk), Madison County, Neb.—Bond Sale.—We have just been advised that \$24,000 5% 20-30-year (optional) school bonds were awarded on Aug. 16 to Geo. W. Hoobler of Omaha at par. Date May 1 1907. Interest January and July. These bonds take the place of the \$24,000 20-30-year (optional) coupon or registered high-school-building bonds awarded on May 6 (V. 84, p. 1138) to the Trowbridge & Niver Co. of Chicago, which sale was never consummated.

Nutley, Essex County, N. J.—Bond Sale.—Reports state that \$12,000 water and \$13,000 road 5% bonds of this town have been awarded to the Fidelity Trust Co. of Newark. Bonds are subject to call after three years.

Oakmont, Allegheny County, Pa.—Bonds Not Sold.—No satisfactory bids were received on Oct. 7 for an issue of \$60,000 4½% street-improvement bonds offered on that day.

Oklahoma City, Oklahoma County, Okla.—Bond Offering.—Henry M. Scales, Mayor, is offering for sale \$200,000 water-works and \$50,000 sewer bonds at not exceeding 5% interest. Authority, vote of 4,937 to 1,265 cast at election Sept. 17. Denomination \$1,000. Interest semi-annual. Maturity thirty years. Official advertisement states there has never been any default in the payment of any of the obligations of the city. These bonds were offered on Sept. 30, but no satisfactory bids were received on that day.

Oneida County (P. O. Utica), N. Y.—Bonds Not Yet Sold.—Up to Oct. 2 no sale had yet been made of the \$55,000 3½% registered court-house bonds offered but not awarded on Sept. 12. See V. 85, p. 679.

Osceola Special School District (P. O. Osceola), Mississippi County, Ark.—Bond Offering.—Proposals will be received until 12 m. Oct. 15 by L. A. Morris, Secretary, for the \$25,000 6% coupon school-building bonds. Denomination \$500. Bonds to be dated day of sale. Maturity twenty years. Bonds are exempt from taxation. Certified check for \$500, payable to the Secretary, is required. Bonded debt this issue. No floating debt. Assessed valuation for 1906 \$870,599. These securities were offered but not awarded on May 18. See V. 84, p. 1445 and V. 85, p. 241.

Pana Township High School District (P. O. Pana), Christian County, Ill.—Bond Offering.—Further details are at hand relative to the offering on Oct. 15 of the \$50,000 5% coupon high-school construction bonds mentioned in V. 85,

p. 882. Proposals for these bonds will be received until 4 p. m. on that day by F. A. Cutler, Secretary Board of Education. Denomination \$1,000. Date Oct. 15 1907. Interest semi-annually at the H. N. Schuyler State Bank in Pana. Maturity \$3,000 yearly on Oct. 15 from 1912 to 1926 inclusive and \$5,000 on Oct. 15 1927. Certified check for \$500, payable to J. E. Reese; Township Treasurer, is required. Total debt this issue. Assessed valuation \$1,247,973.

Park City (P. O. Knoxville), Tenn.—Bond Election Proposed.—There is talk of holding an election to vote on the question of issuing improvement bonds.

Pawnee, Pawnee County, Okla.—Bond Sale.—On Oct. 2 \$20,000 6% 30-year water-works bonds were awarded to N. D. McGinlay at 100.05. Denomination \$1,000. Interest semi-annual.

Penetanguishene, Ont.—Debentures Not Yet Sold.—We are advised under date of Oct. 5 that no sale has yet been made of the \$23,000 4½% high-school debentures, the \$15,000 4½% public-school debentures and the \$2,150 4% cement-sidewalk debentures offered but not awarded (V. 85, p. 544) on Aug. 20.

Perth, Ont.—Debenture Sale.—Wood, Gundy & Co. of Toronto inform us that they have purchased \$18,000 local-improvement and \$30,000 sewer 5% debentures of this place. The former issue matures part yearly for twenty years while the latter matures part yearly for thirty years.

Philadelphia, Jefferson County, N. Y.—Bond Sale.—On Oct. 1 \$6,000 5-16-year (serial) electric-light bonds were awarded to the Watertown Savings Bank of Watertown for \$6,010—the price thus being 100.166. Denomination \$500. Date Oct. 1 1907. Interest semi-annual. These bonds take the place of the \$6,000 5-16-year (serial) coupon or registered electric-light bonds awarded on Sept. 2 to the same institution (V. 85, p. 618), which sale was never consummated.

Pickayune, Hancock County, Miss.—Bond Sale.—An issue of \$3,000 6% high-school-building bonds was recently awarded to E. F. Tate of Pickayune at par. Denomination \$500. Date Sept. 1 1907. Interest semi-annual.

Pittsburgh, Allegheny County, Pa.—Bond Sale.—On Oct. 7 the \$150,000 4% 1-5-year (serial) bonds for improvements at Marshalsea, mentioned in V. 85, p. 821, were awarded to the Sinking Fund Commission at par. Denomination \$30,000. Date Nov. 1 1907. Interest semi-annual.

Plainfield, Union County, N. J.—Bond Sale.—On Oct. 7 the \$68,000 4½% 1-34-year (serial) coupon sewer bonds described in V. 85, p. 679, were awarded to A. B. Leach & Co. of New York City at 100.04 and accrued interest.

Plains School District No. 1 (P. O. Plains), Sanders County, Mont.—Bond Offering.—Further details are at hand relative to the offering on Oct. 19 of the \$3,000 6% refunding bonds mentioned in V. 85, p. 882. Proposals will be received until 3 p. m. on that day by B. Frank Bowman, Clerk Board of Trustees. Denomination \$750. Interest semi-annually at the office of the School Board or at any bank in Montana designated by the purchaser. Maturity \$750 on Feb. 1 1910, \$750 on Aug. 1 1912, \$750 on Feb. 1 1915 and \$750 on Aug. 1 1917. Certified check for \$100, payable to the Clerk Board of School Trustees, is required.

Platteville, Grant County, Wis.—Bond Sale.—This city recently disposed of the \$20,000 4½% 20-year coupon sewerage bonds offered but not awarded (V. 85, p. 618) on Sept. 3.

Pleasant Ridge, Hamilton County, Ohio.—Bond Sale.—On Sept. 24 the \$1,576 37 5% 5-year side-walk-construction (village's portion) bonds described in V. 85, p. 679, were awarded to the Security Savings Bank & Trust Co. of Toledo for \$1,581 37 (100.317) and accrued interest.

Pleasant Valley, Bucks County, Pa.—Bond Election.—On Oct. 16 this town will vote on the question of issuing \$5,000 sewer and improvement bonds.

Pope County (P. O. Glenwood), Minn.—Bond Offering.—Proposals were asked for up to 10 a. m. yesterday (Oct. 11) by Ole Irgeus, County Auditor, for \$10,000 ditch bonds. Denomination \$1,000. Interest annually on July 1 in Glenwood. Maturity \$1,000 yearly on July 1 from 1908 to 1917 inclusive. Bonded debt this issue. No floating debt. Assessed valuation 1906, 4,807,852. The result of this offering was not known to us at the hour of going to press.

Port Huron, St. Clair County, Mich.—Bond Sale.—Local papers report that of \$20,000 5% general road, sewer, bridge and sidewalk bonds offered on Sept. 30, \$17,000 were awarded to Stanley McFarland at 100.05; \$1,000 at 101 and \$1,000 at 101.50 to H. J. Stummell, and \$1,000 to George W. Moore at par. Maturity part yearly from one to three years.

Portsmouth, Ohio.—Bond Sale.—This city has sold the eight issues of 4% coupon bonds, aggregating \$104,500, offered but not awarded on Aug. 22 (V. 85, p. 485), to the following bidders at par and accrued interest: \$39,500 to the First National Bank of Portsmouth, \$19,500 to the Central National Bank of Portsmouth, \$19,500 to the Security Savings Bank & Trust Co. of Portsmouth, \$11,000 to Simon Labold, \$6,000 to B. Augustin, \$3,000 to Mrs. P. C. Balmert, \$500 to George Balmert, \$500 to Nancy Underwood, \$2,000 to A. G. Bridwell and \$3,000 to August Maier.

Preble County (P. O. Eaton), Ohio.—Bond Offering.—Proposals will be received until 1 p. m. to-day (Oct. 12) by C. W. Eidson, County Auditor, for the following bonds:

\$160 4% Leach Ditch No. 265 bonds. Denomination \$80. Maturity \$80 on April 12 1908 and \$80 on Oct. 12 1908.
290 4% Black Ditch No. 269 bonds. Denomination \$145. Maturity \$145 on April 12 1908 and \$145 on Oct. 12 1908.
960 4% Campbell Ditch No. 270 bonds. Denomination \$240. Maturity \$240 each six months from April 12 1908 to Oct. 12 1909 inclusive.
200 4% Brown Ditch No. 271 bonds. Denomination \$200. Maturity April 12 1908.

Authority Sections 4479, 4480, 4481 and 4482, Revised Statutes. Date Oct. 12 1907. Interest semi-annually at the County Treasurer's office. Bonds to be delivered on day of sale.

Prescott School District, Stanislaus County, Cal.—Bond Sale.—We are advised that this district on Sept. 11 awarded \$1,600 6% school-building bonds to Mary A. McMahon at par. This was the only bid received. Denomination \$400. Interest annually in August. These bonds take the place of the \$1,600 6% school bonds awarded on July 10 to the Los Angeles Trust Co. of Los Angeles (V. 85, p. 178), which sale was never consummated.

Pueblo, Pueblo County, Col.—Bonds Not Yet Sold.—We are advised under date of Oct. 1 that no award had yet been made of the five issues of bonds, aggregating \$19,000, offered without success (V. 85, p. 485) on July 26.

Putnam County (P. O. Greencastle), Ind.—Bond Sale.—On Sept. 27 \$6,900 Jackson Township, \$5,700 Warren Township and \$2,800 Cloverdale Township 4½% 10-year (average) road bonds were awarded to the Central National Bank of Greencastle at par. Date Sept. 15 1907. Interest semi-annually in May and November.

Quincy, Logan County, Ohio.—Bond Offering.—Proposals will be received until 12 m. Oct. 21 by E. E. Binegar, Village Clerk, for the following bonds:

\$545 6% Main Street cement-sidewalk-construction assessment bonds. Denomination \$54 50.
346 6% Liberty Street cement-sidewalk-construction assessment bonds. Denomination \$34 60.
340 6% Carlisle Street cement-sidewalk-construction assessment bonds. Denomination \$34.
332 6% Canby Street sidewalk-construction assessment bonds. Denomination \$33.20.

The above bonds are dated Oct. 1 1907. Interest semi-annual. Maturity one bond of each issue each six months from March 1 1908 to Sept. 1 1912 inclusive. Certified check for 5% of bonds bid for, payable to the Village Treasurer, is required. Purchaser to pay accrued interest.

Rankin, Allegheny County, Pa.—Bond Offering.—Proposals will be received until 7:30 p. m. Oct. 15 by Carl Koellman, Borough Secretary, at Rankin, or Robert F. Graham, Borough Solicitor, 1474 Frick Building Annex, Pittsburgh, for \$50,000 4½% improvement bonds. Denomination \$500. Date Sept. 3 1907. Interest semi-annual. Maturity \$500 yearly from 1908 to 1917 inclusive, \$1,500 in 1918, \$1,500 in 1919, \$2,000 yearly from 1920 to 1926 inclusive, \$3,000 in 1927 and \$2,500 yearly from 1928 to 1937 inclusive. Bonds are exempt from taxation. Certified check for \$1,000, payable to the "Borough of Rankin," is required.

Riverside Township (P. O. Riverside), Burlington County, N. J.—Bond Offering.—Proposals will be received until 8 p. m. Oct. 31 by the Township Committee, Henry Taubel, Chairman, for \$80,000 4½% gold coupon sewerage-system construction bonds. Denomination \$500. Date Nov. 30 1907. Interest semi-annual. Maturity Nov. 30 1937, subject to call after Nov. 1 1917. Certified check on a national bank for 5% of the amount of bonds bid for, payable to the Township Treasurer, is required. Delivery of bonds Nov. 30 1907.

Robeson County (P. O. Lumberton), N. C.—Bond Sale.—On Oct. 7 the \$50,000 5½% 30-year gold coupon courthouse-construction bonds described in V. 85, p. 751, were awarded to the Security Trust Co. of Spartanburg at 108.379. The following bids were received:

Secur. Tr. Co., Spart'g, \$54,189 75 N. W. Harris & Co., Bos. \$52,662 00
A. J. Hood & Co., Detroit 53,910 00 Seasongood & Mayer, Cin. 52,136 00
E. H. Rollins & Sons, Chic 53,135 00 John Nuveen & Co., Chic. 52,000 00
Emery, Anderson & Co., Cleve 52,875 00 Otis & Hough, Cleveland. 51,750 00

Rochester, N. Y.—Temporary Loan.—On Oct. 9 an issue of \$100,000 local-improvement-fund notes was awarded to the East Side Savings Bank of Rochester at 5.50% interest. The bids were as follows:

East Side Savings Bank, Rochester.....\$100,000.....5.50 %
Security Trust Co., Rochester.....100,000 .6% and \$10 premium
The Bank for Savings, New York.....100,000 .6% and \$12 premium
Rochester Savings Bank, Rochester.....50,000.....5.70 %
50,000.....5.75 %
Genesee Valley Trust Co., Rochester.....25,000.....5.50 %
25,000.....5.75 %
Broadway Savings Institution.....10,000.....6 %

Rockford, Winnebago County, Ill.—Bond Sale.—This city has awarded \$39,100 4% 20-year refunding bonds to the Harris Trust & Savings Bank of Chicago. Bonds are dated Nov. 1 1907. The purchaser has already disposed of this issue.

Saco, York County, Me.—Bond Sale.—An issue of \$35,000 4% coupon refunding bonds has been disposed of. Denomination \$500. Date Oct. 1 1907. Interest semi-annually in Boston. Maturity \$1,000 yearly on Oct. 1 from 1908 to 1942 inclusive.

St. Croix Falls, Polk County, Wis.—Bond Offering.—Further details are at hand relative to the offering on Oct. 26 of the \$5,000 5% coupon water-works-system-extension bonds mentioned in V. 85, p. 883. Proposals for these bonds will be received until 8 p. m. on that day by Otto W. Corner,

Village Clerk. Denomination \$500. Date Nov. 1 1907. Interest semi-annually at the Northwestern National Bank in Minneapolis. Maturity \$500 yearly on Nov. 1. Certified check for 5%, payable to the Village Treasurer, is required.

Saint Joseph, Berrien County, Mich.—Bonds Authorized.—The regular election held April 1 resulted in favor of a proposition to issue \$20,000 4½% coupon Wayne Street Viaduct bonds. Denomination \$500. Date Sept. 1 1907. Interest semi-annually at the Harris Trust & Savings Bank in Chicago. Maturity Sept. 1 1927.

Salisbury, Rowan County, N. C.—Bonds Voted.—The election held Oct. 1 resulted in a vote of 285 "for" to 27 "against" the proposition to issue the \$300,000 5% coupon street-improvement, water-works-extension and funding bonds mentioned in V. 85, p. 302. Denomination \$1,000. Interest semi-annual. Maturity "not less than thirty years nor more than fifty years." Date of sale not yet determined.

Santa Ana School District (P. O. Santa Ana), Orange County, Cal.—Bonds Defeated.—The election held Sept. 25 to vote on the question of issuing the \$37,500 public-school and the \$12,500 high-school bonds mentioned in V. 85, p. 302, resulted in the defeat of these propositions.

Santa Barbara, Santa Barbara County, Cal.—Bond Sale Not Consummated.—We are advised that the \$50,000 4½% 1-40-year (serial) East Boulevard bonds awarded on Sept. 6 (V. 85, p. 822) to George S. Edwards, President of the Commercial Bank of Santa Barbara at 100.10, take the place of the \$50,000 4½% 1-40-year (serial) Boulevard bonds awarded on Aug. 1 (V. 85, p. 429) to E. H. Rollins & Sons of Boston, which sale was never consummated. Our informant adds that "the attorneys for Rollins & Sons failed to pass on the bonds on account of the denomination, which was \$1,250. There is a State law to the effect that municipal bonds shall not be over a denomination of \$1,000. The bonds were reprinted to denomination of \$625, re-advertised, and sold as above. A new ordinance was also passed fixing the denomination."

Schenectady, N. Y.—Temporary Loan.—On Oct. 10 the \$100,000 temporary-loan certificates maturing Feb. 1 1908 and described in V. 85, p. 883, were awarded at 6% interest

for the following premiums: \$25,000 to the Home Savings Bank of Albany for \$10 premium, \$20,000 to the Schenectady Savings Bank for \$8 premium, \$25,000 to the Schenectady Trust Co. for \$10 premium, \$25,000 to the Citizens' Trust Co. of Schenectady for \$10 premium and \$5,000 to the Union National Bank of Schenectady for \$2 premium.

Scottdale, Westmoreland County, Pa.—Bond Sale Not Consummated.—We are advised that the \$30,000 5% coupon funding and improvement bonds to be offered at 8 p. m. Oct. 14 take the place of the three issues of 5% coupon bonds aggregating \$30,000 awarded on March 25 to W. J. Hayes & Sons of Cleveland (V. 84, p. 767), which sale was never consummated. Interest semi-annually in Scottdale. For other details of bonds and terms of offering see V. 85, p. 822.

South Cannonsburg School District (P. O. Cannonsburg), Washington County, Pa.—Bond Offering Postponed.—The offering of the \$11,000 5% school-building bonds which was to have taken place Oct. 7 (V. 85, p. 883) has been postponed until 7:30 p. m. Oct. 15.

Springfield, Clark County, Ohio.—Bond Offering.—Proposals will be received until 8 p. m. Nov. 12 by F. A. Crothers, Clerk of Council, for the following bonds:

- \$1,325 50 5% coupon Willard Avenue improvement assessment bonds Denomination \$265 10. Date Aug. 22 1907. Maturity \$265 10 yearly on Aug. 22 from 1908 to 1912 inclusive.
- 1,970 70 5% coupon James Street improvement assessment bonds. Denomination \$394 14. Date Aug. 22 1907. Maturity \$394 14 yearly on Aug. 22 from 1908 to 1912 inclusive.
- 1,912 90 5% coupon Grape Alley improvement assessment bonds. Denomination \$191 29. Date Aug. 22 1907. Maturity \$191 29 yearly on Aug. 22 from 1908 to 1917 inclusive.
- 2,116 30 5% coupon Charles Street improvement assessment bonds. Denomination \$423 26. Date Aug. 22 1907. Maturity \$423 26 yearly on Aug. 22 from 1908 to 1912 inclusive.
- 789 19 (less any cash payments made by property owners) 5% coupon alley-improvement assessment bonds. Date Oct. 17 1907. Maturity part yearly on Oct. 17 from 1908 to 1912 inclusive.
- 1,406 89 (less any cash payments made by property owners) 5% coupon Clifton Street improvement assessment bonds. Date Oct. 17 1907. Maturity part yearly on Oct. 17 from 1908 to 1912 inclusive.

Interest semi-annually at the City Treasurer's office. Certified check for 5% of the bonds bid for is required.

Springfield, Hampden County, Mass.—Bond Sale.—Of the \$170,000 4% coupon or registered city-hall and site-

NEW LOANS.

\$100,000

CITY OF ST. PAUL BONDS

Four Per Cen —Thirty Years.

SEALED PROPOSALS will be received at the office of the City Comptroller by the Sinking Fund Committee until 12 O'CLOCK NOON ON OCTOBER 15TH, 1907, and opened at that time, for the whole or any part of \$100,000 00 of Bonds of the City of St. Paul, described as follows:

\$50,000 00 Fire Department Bonds dated September 1, 1907, and maturing August 31st, 1937, bearing interest at the rate of Four (4%) per cent per annum. Bonds in denomination of \$100 00 or any multiple thereof not exceeding \$1,000 00, as the purchaser may desire. They will be in the shape of Coupon Bonds issued for the purpose of erecting new fire stations and equipping the same with new apparatus.

\$50,000 00 of Water Bonds dated October 1, 1907, and maturing September 30, 1937, bearing interest at four (4%) per cent per annum. Bonds in denomination of \$500 00 or \$1,000 00 as the purchaser may desire. These bonds are issued for the purpose of enlarging and extending the Water Works of the City of St. Paul.

The interest on both of these issues is payable semi-annually, interest and principal payable at the Financial Agency of the City of St. Paul in New York City. Bonds to be delivered at the Comptroller's office, where payment must be made, the purchaser to pay accrued interest to date of delivery. A certified check payable to the City Treasurer of the City of St. Paul for two (2%) per cent of the par value of the bonds bid for must accompany each bid that will be considered. The Committee reserves the right to reject any and all bids. Any further information on application.

Proposals to be addressed to
LOUIS BETZ,
City Comptroller.

BONDS TO YIELD 4.50% to 6%

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is now ready for distribution. We suggest a personal interview.

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NEW LOANS.

\$591,000

City of Minneapolis, Minn., SCHOOL AND PARK BONDS.

Sealed bids will be received by the Committee on Ways and Means of the City Council of the City of Minneapolis, Minnesota, at the office of the undersigned, THURSDAY, OCTOBER 24TH, 1907, AT 2 O'CLOCK P. M., for the whole or any part of the \$441,000 00 School bonds and for the whole or any part of \$150,000 00 Park bonds.

Said bonds bear interest at the rate of four (4) per cent per annum, payable semi-annually, dated July 1, 1907, and payable July 1, 1937.

The right to reject any or all bids is reserved. A certified check for two (2) per cent of the par value of the bonds bid for, made to C. S. Hulbert, City Treasurer, must accompany each bid.

Circular containing full particulars will be mailed on application.

DAN. C. BROWN,
City Comptroller.

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CITY COUNTY AND TOWNSHIP **BONDS.**

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MUNICIPAL AND CORPORATION } **BONDS**

205 La Salle Street, CHICAGO

purchase bonds mentioned in V. 84, p. 1325, reports state that \$77,000 have been awarded to the Sinking Fund Commissioners at par and accrued interest, \$60,000 to Jackson & Curtis of Boston at par and accrued interest and \$33,000 to Arthur B. Chapin, State Treasurer, at par and accrued interest. These securities are dated July 1 1907 and mature part yearly on July 1 from 1908 to 1927 inclusive.

Stanley County (P. O. Albemarle), N. C.—Bond Sale.—An issue of \$100,000 5% refunding railroad-aid bonds has been disposed of. Maturity \$5,000 yearly beginning July 1 1917.

Stephenville School District (P. O. Stephenville), Erath County, Tex.—Bond Sale.—We have just been advised that this district on Aug. 1 disposed of an issue of \$34,000 5% school-building bonds to the Commercial National Bank of Greenville for \$34,500 (101.47) and accrued interest. Denomination \$1,000. Date July 1 1907. Interest annual. Maturity part yearly beginning July 1 1912.

Struthers, Mahoning County, Ohio.—Bond Sale.—On Oct. 5 the \$10,000 5% 3-22-year (serial) coupon city-building bonds described in V. 85, p. 883, were awarded to Otis & Hough of Cleveland at 104.21 and accrued interest—a basis of about 4.555%. The bids were as follows:

Otis & Hough, Cleveland, \$10,421 00 | W. J. Hayes & Sons, Cleve. \$10,007 00
Seasongood & Mayer, Cin. 10,328 80

Superior School District (P. O. Superior), Nuckolls County, Neb.—Bond Offering.—This district is offering at private sale the \$30,000 5% 10-20-year (optional) coupon high-school building bonds offered but not awarded on Aug. 1. See V. 85, p. 546.

Syracuse, Onondaga County, N. Y.—Bond Sale.—The following bids were received on Oct. 8 for the three issues of 4½% registered bonds aggregating \$310,000, described in V. 85, p. 822:

	\$200,000 Court-house bonds.	\$50,000 intercepting-sewer bonds.	\$60,000 fire-eng's house bonds.
W. N. Coler & Co., New York	200,580 00	50,155 00	60,114 00
A. B. Leach & Co., New York	200,544 00	50,136 00	60,163 20
Onondaga County Sav. Bk., Syracuse	200,160 00	-----	-----
Kountze Bros., New York (for \$470,000 bonds)	-----	\$471,081 00	-----
N. W. Harris & Co., New York (for \$218,000 bonds)	-----	219,177 20	-----
	(for \$63,000 bonds)	63,025 20	-----

a Successful bidders.

A bid was also received from the Ellenville Savings Bank of Ellenville on \$20,000 of the \$200,000 court-house bonds.

Bid Rejected.—The only bid received for the \$160,000 4½% 1-10-year (serial) registered local-improvement bonds offered on the same day was submitted by the Kingston Savings Bank of Kingston for \$80,000 of the issue. This offer was rejected.

Tampa, Hillsboro County, Fla.—Bond Election Proposed.—This city purposes holding an election to submit to the voters propositions to issue sewerage-system-construction, hospital, city-hall and Lafayette Street bridge-construction bonds.

Tensas Parish Levee District, La.—Bond Sale.—This district recently awarded \$30,000 5% 10-20-year (optional) refunding bonds to the State Free School Fund at par. Denomination \$1,000. Date Sept. 1 1907. Interest annual.

Texarkana, Bowie County, Tex.—Bonds Registered and Sold.—Permanent improvement bonds to the amount of \$2,000 have been registered by the State Comptroller. These securities bear 6% interest and mature March 1 1934. We are advised that the city has already disposed of these bonds.

Thompson (P. O. Monticello), Sullivan County, N. Y.—Bond Sale.—This town in September awarded an issue of \$6,000 4% White Lake Turnpike bonds to Mary J. Mitchell of Monticello and Jay Simpson of South Fallsburgh at par. Denomination \$1,000. Date Sept. 14 1907. Interest annually on March 1. Maturity \$1,000 yearly beginning in 1910.

Tyron Township (P. O. Lynn), Polk County, No. Car.—Bond Sale.—This township has awarded the \$12,000 6% 20-year coupon good-road bonds offered on Sept. 20 (V. 85, p. 547), to the Bank of Tyron at par.

Ventura, Ventura County, Cal.—Bonds Voted.—The election held Sept. 23 resulted in favor of the following propositions aggregating \$148,298, and not \$150,000 as at first reported:
\$15,000 5% 30-year Ash Street storm-sewer-construction bonds by a vote of 445 to 39.
7,500 5% 30-year West Main Street storm-sewer-construction bonds by a vote of 426 to 52.

MISCELLANEOUS.

“WE ARE IN VERY GREAT NEED

of telephone girls”, walls a manual operating company, in a letter to us. “Can you advise us where you have recently replaced manual boards with automatic so that we can get in touch with them

“WE MUST HAVE GIRLS

from somewhere.” We sympathized with the company, told them where we thought they might be able to get some girls; but we suggested the

AUTOMATIC SYSTEM AS THE SOLUTION

of their problem, which is becoming a common one among manual companies. Have you encountered it yet? When you do, remember that the Automatic dispenses with girls, saves money, makes money, and gives the best service. Automatic equipment has been adopted in the following cities:

- | | | | |
|---------------------|---------------------|--------------------|------------------------|
| Aberdeen, S. D. | Denver, Colo. | Marianao, Cuba. | San Diego, Cal. |
| Akron, Ohio. | Dowagiac, Mich. | Marion, Ind. | San Francisco, Cal. |
| Allentown, Pa. | El Paso, Texas. | Medford, Wis. | Santa Monica, Cal. |
| Auburn, Me. | Emaus, Pa. | Miamisburg, Ohio. | Saskatoon, Sask., Can. |
| Auburn, N. Y. | Fall River, Mass. | Mt. Olive, Ill. | Sloux City, Iowa. |
| Battle Creek, Mich. | Grand Rapids, Mich. | New Bedford, Mass. | South Bend, Ind. |
| Beaver Falls, Pa. | Hastings, Neb. | Oakland, Cal. | Spokane, Wash. |
| Bellingham, Wash. | Havana, Cuba. | Ocean Park, Cal. | St. Mary's, Ohio. |
| Berkeley, Cal. | Hazleton, Pa. | Omaha, Neb. | Tacoma, Wash. |
| Billings, Mont. | Holland, Mich. | Pentwater, Mich. | Toronto Junction, Can. |
| Butte, Mont. | Hopkinsville, Ky. | Pontiac, Ill. | Traverse City, Mich. |
| Cadillac, Mich. | Houston, Tex. | Portland, Me. | Urbana, Illinois. |
| Champaign, Ill. | Jonesboro, Ark. | Portland, Ore. | Van Wert, Ohio. |
| Chicago, Ill. | Lake Benton, Minn. | Princeton, N. J. | Walla Walla, Wash. |
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| Columbus, Ga. | Lincoln, Neb. | Riverside, Cal. | Westerly, R. I. |
| Columbus, Ohio. | Los Angeles, Cal. | Rochester, Pa. | Wilmington, Del. |
| Dayton, Ohio. | Manchester, Iowa. | Rushville, Ind. | Woodstock, N. B., Can. |

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BONDS

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EXEMPT FROM STATE, COUNTY
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STATE, CITY & RAILROAD BONDS.

\$5,500 5% 30-year Santa Clara Street bridge-construction bonds by a vote of 452 to 30.
 5,500 5% 30-year Front Street bridge-construction bonds by a vote of 450 to 33.
 5,000 5% 30-year "Old Conejo Road" bridge-construction bonds by a vote of 439 to 36.
 86,280 5% 30-year street-paving "Petrolithic process" bonds by a vote of 441 to 42.
 8,000 5% 30-year fire-house-construction bonds by a vote of 425 to 55.
 3,000 5% 30-year chemical fire-engine bonds by a vote of 415 to 65.
 2,500 5% 20-year park bonds by a vote of 452 to 27.
 3,000 5% 30-year fire-house-site-purchase bonds by a vote of 408 to 69.
 7,000 5% 20-year public-beach-park bonds by a vote of 404 to 79.

We are advised that these bonds will be offered for sale in about six weeks.

Wallace, Man.—Debentures Not Yet Sold.—We are advised under date of Sept. 30 that no award has yet been made of the \$50,000 4% 20-year debentures described in V. 85, p. 486.

Watwan County (P. O. St. James), Minn.—Bonds Proposed.—Application has been made to the State of Minnesota for a loan for ditch purposes.

Wells County, (P. O. Bluffton) Ind.—Bond Sale.—On Sept. 25 \$3,220 92 6% gravel-road bonds were awarded to H. C. Arnold of Bluffton at par. Denomination \$100. Date June 3 1907. Interest May 15 and Nov. 15.

Bond Offering.—Proposals will be received until 10 a. m. Oct. 16 by the County Treasurer for \$112,000 4½% coupon gravel-road bonds. Date Oct. 15 1907. Interest payable at the National Bank of Commerce in New York City. Bonds are exempt from taxation. Certified check for \$150, payable to the County Treasurer, is required. The county has no debt at present. Assessed valuation for 1907 \$18,500,000. C. S. Brineman is County Auditor.

Wharton County (P. O. Wharton), Texas.—Bonds Registered and Sold.—An issue of \$7,500 4½% 10-40-year (optional) bridge bonds has been registered by the State Comptroller. These bonds have been disposed of.

Whatcom County School District No. 92, Wash.—Bond Sale.—Reports state that on Sept. 30 this district awarded \$2,700 5% bonds to the State Board of Finance.

White Oak School District, Stanislaus County, Cal.—Bonds Not Sold.—No bids were received for \$7,000 5% bonds offered by this district on Sept. 11.

White Plains, Westchester County, N. Y.—Bond Sale.—On Oct. 7 the \$15,000 5% 10-year tax-deficiency bonds described in V. 85, p. 824, were awarded to Wadsworth & Wright of New York City at 101.25—a basis of about 4.841%.

Windsor, Ont.—Debentures Not to be Re-offered at Present.—We are advised that the \$20,000 4% macadam-pavement debentures, the \$10,000 4½% water-works debentures and the \$49,440 80 4½% local-improvement debentures offered but not awarded on Aug. 8 (V. 85, p. 547), will probably not be placed on the market again until next year.

Winston-Salem, Forsyth County, N. C.—Bond Sale.—On Sept. 26 the \$85,000 street-improvement, \$35,000 water-main-extension and \$30,000 sewerage-system-improvement 5% 30-year coupon bonds voted on Aug. 6 (V. 85, p. 367) were awarded to the Wachovia Loan & Trust Co. of Winston-Salem. Denomination \$1,000. Date Nov. 1 1907. Interest semi-annually.

Woodbury, Gloucester County, N. J.—Bonds Not Sold.—No award was made on Sept 23 of the \$16,000 4½% 20-year coupon (with privilege of registration) street-improvement bonds described in V. 85, p. 753. The bonds are now being offered at par to local investors.

Worth County (P. O. Northwood), Iowa.—Bond Sale.—This county recently awarded "about \$20,000" ditch bonds to the Worth County State Bank of Northwood at a premium for 5¼s. Denomination \$500. Date Oct. 1 1907. Interest semi-annually in May and November. Maturity part yearly on Oct. 1 from 1910 to 1919 inclusive.

Youngstown, Mahoning County, Ohio.—Bonds Withdrawn from the Market.—We are advised that the \$4,635 5% coupon sidewalk construction bonds which were to have been offered on Oct. 28 (V. 85, p. 885), have been withdrawn from the market.

Yorkton, Sask.—Debentures Not Sold.—No award has yet been made of the \$45,000 5% 40-year water-works debentures, the \$15,000 5% 40-year coupon sewerage-disposal debentures and the \$10,000 5% 20-year coupon debentures to obtain a controlling interest in the Yorkton N. W. Electric Co., offered on Sept. 3. See V. 85, p. 367, for description of these securities.

MISCELLANEOUS.

CAPITAL AND SURPLUS \$12,000,000

TITLE GUARANTEE AND TRUST COMPANY

176 Broadway, New York.
 175 Remsen Street, Brooklyn.
 196 Montague Street, Brooklyn Banking Dept.

Examines & guarantees Real Estate Titles.

Loans Money on Bond and Mortgage.

Furnishes Mortgages to Investors.

Receives Deposits subject to check, allowing Interest.

Does all Trust Company Business.

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METROPOLITAN INVESTMENT CO.

GEO. B. EDWARDS, President, Charleston, S. C.
 New York Office, Beaver Bldg., 82-92 Beaver St

MISCELLANEOUS.

OFFICE OF THE

ATLANTIC MUTUAL INSURANCE COMPANY.

New York, January 22d, 1907.

The Trustees, in conformity with the Charter of the Company, submit the following statement of its affairs on the 31st of December, 1906.

Premiums on Marine Risks from 1st January, 1906, to 31st December, 1906	\$3,190,241 67
Premiums on Policies not marked off 1st January, 1906	582,191 98
Total Marine Premiums	\$3,772,433 65
Premiums marked off from 1st January, 1906, to 31st December, 1906	\$3,081,714 32
Interest received during the year	\$356,457 98
Rent, less Taxes and Expenses	125,501 85
	\$481,959 83
Losses paid during the year which were estimated in 1905 and previous years	\$309,817 14
Losses occurred, estimated and paid in 1906	1,009,224 32
	\$1,319,041 46
Less Salvages	\$107,176 57
Re-insurances	150,190 74
	257,367 31
	\$1,061,674 15
Returns of Premiums	\$62,411 11
Expenses, including officers' salaries and clerks' compensation, stationery, newspapers, advertisements, etc.	\$344,098 27
The Company has the following Assets, viz.:	
United States and State of New York Stock, City, Bank and other Securities	\$5,697,108 00
Special deposits in Banks and Trust Companies	700,966 67
Real Estate corner Wall and William Sts., and Exchange Place	\$4,299,000 00
Other Real Estate and claims due the Company	75,000 00
	4,374,000 00
Premium notes and Bills Receivable	1,191,974 88
Cash in hands of European Bankers to pay losses under policies payable in foreign countries	271,142 54
Cash in bank	562,631 63
	\$12,797,823 72

A dividend of Six per cent interest on the outstanding certificates of profits will be paid to the holders thereof, or their legal representatives, on and after Tuesday the Fifth of February next.

The outstanding certificates of the issue of 1901 will be redeemed and paid to the holders thereof, or their legal representatives, on and after Tuesday the fifth of February next, from which date all interest thereon will cease. The certificates to be produced at the time of payment, and canceled.

A dividend of Forty per cent is declared on the net earned premiums of the Company for the year ending 31st December, 1906, for which, upon application, certificates will be issued on and after Tuesday the seventh of May next.

By order of the Board,
 G. STANTON FLOYD-JONES, Secretary.

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Mercantile Trust Co.

St. Louis, Mo.
Member St. Louis Clearing House Association
Capital and Surplus, \$9,500,000
FESTUS J. WADE, President.
W.M. MAFFITT, Treasurer.
Commenced business Nov. 16, 1899

RESOURCES

Nov. 16, 1899	\$1,667,051 19
Nov. 16, 1900	\$4,429,448 02
Nov. 16, 1901	\$11,780,418 95
Nov. 16, 1902	\$21,882,734 64
Nov. 16, 1903	\$21,756,471 73
Nov. 16, 1904	\$26,508,716 93
Nov. 16, 1905	\$27,292,163 57
Nov. 16, 1906	\$27,984,599 63

The Proof of Good Service is Constant Growth

CENTRAL TRUST COMPANY OF ILLINOIS, CHICAGO.

Capital, - - - - - \$2,000,000
Surplus and Profits - 900,000

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Girard Trust Company.

CAPITAL AND SURPLUS, \$10,000,000.
CHARTERED 1836.

Acts as Executor, Administrator, Trustee, Assignee and Receiver.
Financial Agent for Individuals or Corporations.
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The Trust Company of North America

503-505-507 Chestnut St., Philadelphia.
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BUNKER HILL BRANCH;
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