

AMERICAN & CANADIAN RAILWAY NEWS.

CHICAGO MILWAUKEE AND ST. PAUL.

The Directors announce that stockholders of record on 19th December will be offered the right to subscribe for \$66,327,000 of new preferred stock and \$33,184,000 of new common stock. The new issues are equal to 50 per cent. of the existing stock as regards preferred stock, and 25 per cent. of the existing stock as regards common stock. The new stock is offered at par, and is payable by six instalments, the last instalment not being due until March, 1909. The object of the new issue is to provide \$75,000,000 for the Company's extension to the Pacific and for other 500 miles of branch lines, and \$25,000,000 for contingencies. The privilege to subscribe for new stock expires on 31st December for American stockholders, and on 7th January for foreign stockholders, who are allowed until 10th January to pay the first instalment of 10 per cent. This instalment is payable on 31st December by American stockholders. The second instalment of 15 per cent. falls due for all stockholders on 1st June; the third instalment of 20 per cent. is payable in December, 1907; the fourth, of 20 per cent., in June, 1908; the fifth, of 20 per cent., in December, 1908; and the sixth instalment, of 15 per cent., in March, 1909.

LAKE ERIE AND WESTERN.

The statement (partly estimated) for fiscal year ended 31st December compares as under:—

	1906.	1905.	1904.
Gross earnings	\$5,247,200	\$5,037,295	\$4,998,010
Operating expenses	3,895,200	3,665,294	3,692,994
Net earnings	\$1,352,000	\$1,372,001	\$1,305,016
Other income	11,400	8,311	600
Gross income	\$1,363,400	\$1,380,312	\$1,305,616
Fixed charges & taxes	1,002,800	1,006,799	939,128
Net income	\$360,600	\$373,513	\$366,488
Dividend on preferred ..	(3)355,200	(3)355,200	(3)355,200
Balance, surplus ..	\$5,400	\$18,313	\$11,288

LAKE SHORE AND MICHIGAN SOUTHERN.

The statement (partly estimated) for fiscal year ended 31st December compares as under:—

	1906.	1905.	1904.
Gross earnings	\$42,450,900	\$38,600,810	\$35,161,053
Operating expenses	33,399,700	31,331,510	27,184,280
Net earnings	\$9,051,200	\$7,269,300	\$7,976,772
Other income	4,015,000	3,518,663	2,570,970
Net income	\$13,066,200	\$10,787,963	\$10,547,742
Charges and taxes	7,555,000	6,320,000	6,090,000
Balance for stock ..	\$5,511,200	\$4,467,963	\$4,457,742
Dividends	(10)4,946,600	(8)3,957,320	(8)3,957,320
Surplus	\$564,600	\$510,643	\$500,422

Operating expenses include expenditures for new equipment, construction, and betterments, amounting in 1903 to \$4,527,136, against: \$2,768,788 in 1902; in 1905 and 1904 not stated.

A semi-annual dividend of 6 per cent. is declared, payable 29th January. This makes the total dividends payable from the earnings of the calendar year, 1906, 10 per cent., and increases the annual rate, if distributions are continued on the new basis, to 12 per cent. per annum.

The Directors have determined to change the dividend period from semi-annual to quarterly, to conform with the practice of the New York Central and Hudson River Railroad, which makes distributions to its shareholders in January, April, July, and October. The first quarterly payment, it is understood, will be made in April next.

MICHIGAN CENTRAL.

The statement (partly estimated) for fiscal year ended 31st December compares as under:—

	1906.	1905.	1904.
Gross earnings	\$26,087,100	\$23,283,868	\$21,492,944
Operating expenses	21,520,800	18,865,916	17,041,014
Net earnings	\$4,566,300	\$4,417,952	\$4,451,930
Other income	379,600	315,812	63,471
Gross income	\$4,945,900	\$4,733,764	\$4,515,401
Charges and taxes	3,958,800	3,760,330	3,642,626
Net income	\$987,100	\$973,434	\$872,775
Dividends	(5)936,900	(4)749,500	(4)749,520
Balance, surplus ..	\$50,200	\$223,934	\$123,255

Charges include Canada Southern rental in 1904, 1905, and 1906, viz., \$375,000; in 1903 Canada Southern share of earnings was \$355,088.

The Directors have declared a semi-annual dividend of 3 per cent., payable 29th January. This declaration increases the amount distributed to shareholders from the earnings of the current calendar year to 5 per cent., and places the stock, if the same rate is continued, on an annual basis of 6 per cent. It has been decided to pay all further dividends quarterly to conform with the method of the New York Central, instead of semi-annually as heretofore. The first quarterly payment, it is understood, will be made in April next.

NEW YORK CENTRAL AND HUDSON RIVER.

The statement (partly estimated) for fiscal year ended 31st December compares as under:—

	1906.	1905.	1904.
Gross earnings	\$92,399,100	\$86,095,602	\$78,573,208
Operating expenses	66,682,700	61,500,751	56,122,385
Net earnings	\$25,716,400	\$24,594,851	\$22,450,823
Other income	7,490,000	6,523,500	6,468,736
Gross income	\$33,206,400	\$31,118,351	\$28,919,559
Charges and taxes	22,188,000	22,392,551	21,364,821
Net income	\$11,018,400	\$8,725,800	\$7,554,738
Dividends	(5)7,832,900	(5)6,612,500	(5)6,612,500
Balance, surplus ..	\$3,185,500	\$2,113,300	\$942,238

As already announced by cable, the Directors have declared a quarterly dividend of 1½ per cent., payable 15th January. This makes the total dividends paid for 1906 5½ per cent., and increases the annual rate, if payments are continued on the same basis, to 6 per cent. The Company's outstanding capital stock is \$149,442,500, and this will be increased to \$179,282,000, when the \$29,839,500 new stock offered to shareholders of record 30th November, 1906, has been paid for in full. This new stock does not participate in the dividend just declared.

Vice-President Grammer, of the New York Central, has been given complete jurisdiction over the freight traffic of all lines in the system. He has had charge of both freight and passenger traffic on the Company's lines west of Buffalo. He will continue to have his headquarters in Chicago. Charles F. Daly, as Vice-President in charge of all passenger traffic, will remain in New York. It is unofficially stated that Warren J. Lynch will go to New York as passenger traffic manager of the lines east of Buffalo, and that John Daly, now assistant general passenger manager of the Lake Shore, will succeed Mr. Lynch as passenger traffic manager of the lines west of Buffalo. B. B. Mitchell, who is freight traffic manager of the western lines, may go to New York as freight traffic manager of the eastern lines in place of Nathan Guilford, resigned.

The New York Central now has six Vice-Presidents, whose jurisdiction extends over the entire system, two other Vice-Presidents who are in charge of operation and the legal departments on the lines east of Buffalo, and two more having the same duties on the lines west, making a total of ten Vice-Presidents. It is the only railroad in the country having the office of Vice-President in charge of passenger traffic.

WESTERN MARYLAND.

The Company reports for the year ended 30th June:—

	1906.	1905.	Increase.
Railway earnings	\$4,802,094	\$3,900,249	\$901,844
Expenses and taxes ..	3,105,682	2,512,421	593,261
Net earnings	\$1,696,411	\$1,387,827	\$308,583
Coal and other profits ..	720,043	428,311	291,732
Miscellaneous income ..	82,071	60,997	21,074
Total	\$2,498,527	\$1,877,136	\$621,390
Bond., Int., rent., etc.	2,247,018	1,671,039	575,978
Surplus	\$251,508	\$206,097	\$45,411

President Winslow S. Pierce, in his report, says: "The physical condition of the railroad has been materially advanced, and the work of revision is in satisfactory progress. The fiscal year now begun will be the first full year of operation of the connected system, and it has opened with favourable traffic and business conditions and prospects."

The following half-yearly dividends have been declared: Lehigh Valley preferred stock, 5 per cent.; common stock,