CROW'S NEST PASS COAL CO.

The Proposed Railway to the U. S. Boundary.

At the annual meeting in Toronto, Mar. 1, the following report was submitted :

The net profits for the year, after paying all operating expenses & all charges of every kind at the head office & mines, amounted to $141,064.10. This amount has been derived from the various departments of the Co.'s business, viz.: The sale of coal & coke, & from waterworks, house rentals, general store, etc., etc. As no dividend was paid for the year on the Co.'s capital, the above sum has been carried forward to credit of profit & loss, making a total sum at credit of that account (including the amount already there from the earnings of 1899) of $188,874.52.

The coal produced during 1900 amounted to 220,458 tons. Of this tonnage 114,063 tons were sent to the Co.'s coke ovens at Fernie, & produced 73,496 tons of coke, while the balance of 106,395 tons was disposed of as merchantable coal.

During the year the Co. paid out in cash $874,080.83, of which the pay rolls amounted to $419,037.09, the balance of $454,943.74 having been disbursed for new coke ovens, additions to plant & for development work at Fernie & Michel. One hundred and ten new coke ovens were built in 1900, which makes, with the 202 in operation at the end of 1899, a total of 312 ovens, with a capacity of over 450 tons of coke per day.

The number of men at present in the Co.'s employ is about 800, & this number will, of course, steadily increase as our mines are developed.

ELIAS ROGERS, Managing Director. GEO. A. COX, President.

FINANCIAL STATEMENT, DECEMBER 31, 1900.

ASSETS.

Mines, real estate, plant, development, etc.		$2,266,016 65
Cash in bank	$37,501 62	
Accounts receivable	67,005 42	
		104,507 04
		$2,370,523 69

LIABILITIES.

Capital stock, paid-up		$2,000,000 00
Profit & Loss Account :		
Balance at credit, Dec. 31, 1899.	$ 47,810 42	
Added in 1900	141,064 10	
		188,874 52
Bills payable	$121,795 72	
Accounts payable	59,853 45	
		181,649 17
		$2,370,523 69

E. R. WOOD, Treasurer.

I have examined the above statement of assets & liabilities with the books & vouchers of the Company, & find the same correct.

A running audit has been maintained during the year, and I certify that the books are well & truly kept.

R. W. MACPHERSON, Auditor.

Toronto, March 1, 1901.

PRESIDENT'S ADDRESS.

In congratulating you upon the success of the last year's operations, it may be worth while to refer to the erroneous ideas that have gone abroad with regard to the management & control of the Crow's Nest Pass Coal Co. We are, in every respect, a Canadian enterprise, with a large majority of Canadian stockholders, under Canadian control & management, & are giving employment to a great force of labor on Canadian soil. We are developing Canada's natural resources in one of the most important economic minerals, & are building up an immense Canadian industry, which is bringing wealth to the Dominion, & which, we feel assured, will constitute a most important factor in the Canadian industrial development of the future, unless our operations are restricted by a limited market & inadequate railway facilities.

It affords me great pleasure to announce that we are prepared to proceed at once with construction & development work involving an immediate expenditure of $835,000, & we already have this money in the treasury of the Co. for this purpose. This large sum does not include the railway project, to which I will refer later, but will be devoted exclusively to development work, the building of coke ovens, dwellings, offices & other works in connection with the coal & coke industry of the Co. We intend to build at Fernie, Michel, & at another suitable point, 720 coke ovens, which will involve an expenditure of $540,000 under this head alone. We will then have 1,032 ovens, which will increase our capacity for coke production from over 450 tons a day, as at present, to more than 1,500 tons a day. Our expenditure will also include more than $250,000 on mine improvements, offices & miners' dwellings. These expenditures & the extensive mining & coke-producing operations that are to follow will create & maintain two new towns in the coal district as large as Fernie, which now owes its existence to the works carried on by this Company.

There is a prospective demand, provided we obtain access to the American market, as I shall hereafter mention, for 4,500 tons of coal a day within a year, & in three years we expect to increase our output to about 6,000 tons of coal a day, a large portion of which will be converted into coke in our ovens, & within five years we expect to have a pay roll of fully $10,000 a day, which will be sufficient to maintain three important industrial centres in the coal district.

All business men will at once realize how important such a development will be to the country at large, as mining camps are invariably extensive consumers of supplies. Not only will there be the direct employment for several thousand Canadian working men, but a new & most extensive demand will be created for the products of Canadian factories in the east, & the food supplies from the western farms & cattle ranches.

It is only fair to you, however, to state that the present demand of British Columbia for coal & coke would not justify any such expenditures as we propose to make. This is self-evident when I state that the present demand of British Columbia does not exceed 1,000 tons of coal & coke a day, & we cannot expect this demand to increase in the near future, even under most favorable conditions, so as to justify such expenditures.

In order that we may proceed with this development, it will be absolutely necessary to secure access to the American markets by a route that will put us in a position to successfully compete with the coal & coke producers already in the field. If denied access to the American markets, except by roundabout routes, if delayed in our operations by legislative obstruction, if prevented in any way from cutting down the cost of production to the narrowest possible margin, our success in the field will be proportionately cramped, & it will be quite impossible to undertake the development now proposed.

Recognizing, therefore, the necessity of obtaining direct access to the adjacent markets of the United States, an application has been made to Parliament by five of your directors for a charter to build a railway from the coal fields to the boundary, where it is intended to connect with a spur line from Jennings on the Great Northern Railway.

This is simply an effort to secure an entrance, by the best possible route, to an almost unlimited market for coal & coke, where we must meet the keenest competition. And without this market any large development of these British Columbia coal fields will be practically impossible.

The fear has been expressed in some quarters that the establishment of railway connection between the Crow's Nest coal fields & the Great Northern Railway System will deprive the Canadian mining & smelting industries of a supply of coal & coke, & that the Co. may create a shortage in the Canadian supply to benefit American smelting interests. These fears are groundless. From geological reports, it appears that there are over 250,000 acres of coal lands in the Crow's Nest country, containing a supply of coal which is conceded by all authorities to be practically exhaustless, it being estimated that there are in this area 20,000,000,000 tons of coal. This would admit an output of 10,000 tons a day, allowing 300 working days a year for over 6,000 years. This is entirely independent of the immense coal areas in Alberta & in other parts of British Columbia.

We are at present prepared to enter into time contracts with the smelters of British Columbia to supply any quantities of coal or coke they may require ; but so far as the local supply is concerned, its safety can be best assured by such development of the Crow's Nest mines as will be made possible by the building of the proposed line.

Successful operation of the mines on a large scale would be impossible if our market were limited to British Columbia, & it were subject to the fluctuations we have experienced this last year.

With an immense coal & coking industry in operation, turning out from six to ten thousand tons of coal a day, the British Columbia smelters now in operation could close down or open up without notice, as often as they might feel inclined, & the change would not be felt. The smelters now in operation on the Canadian side only require about 300 tons of coke per day. If we are restricted as to markets, there will be higher initial cost, risk of suspension through accidents, difficulty in securing labor, & in meeting any variation in the demand.

Although there is an immense area of coal in the Crow's Nest country that is of the best quality for coking, we should not harbor the delusion that this district has all the coking coal on the continent. There will be competition from the existing sources of supply—from Cokedale, on Puget Sound, Pennsylvania, West Virginia, Utah & Colorado. There are also immense coal deposits in Montana, Washington, & other places, which may prove, when tested, to be of good coking quality.

To enter & hold this market, which means from 5,000 to 6,000 tons of coal a day, the Crow's Nest Pass Coal Co. must have the best railway facilities available, & that is why it is absolutely necessary to build the proposed spur.

There is hardly any industry so universally beneficial to a country as coal mining & coke making for export trade. The coal & coke are both brought to the last stage of perfection before being shipped out. All labor is expended on them in the country, & there is nothing further to be done with them except consume them. Not so with logs, not so with lumber, not so with pulp, with wheat, with wool, & with many other products exported. Every dollar that comes into the country in return for coal or coke exports makes the country just that much richer. The farmer, the rancher, the miller, the merchant & the manufacturer will all profit. There will also be an enormous direct revenue to the British Columbia Government from the royalty. That Government is now deriving a revenue of about $100 a day from our present operations.

In addition to the development of the coal & coke industry, the proposed railway will open up a prospect, & an assured prospect, of smelting development which will prove, from a public standpoint, of the very greatest importance.

The success of the smelting industry depends upon the ability to assemble the various materials essential to profitable smelting at the lowest possible cost, & if the proposed line