

at work upon this section, which, it is fully expected, will be completed and ready for operation before the close of the year 1885.

Without the through all rail line which the completion of this section will provide, and without the necessary connections with the Provinces of Ontario and Quebec, now being secured, the Canadian Pacific Railway would have little or no control over the large west bound traffic in Immigrants, settlers and general freight, which the settlement of the Northwest is rapidly developing; and that traffic would continue in the future, as in the past, to be carried over the Grand Trunk Railway, and through the United States. This west bound traffic is of the greatest importance to the Canadian Pacific Railway, enabling it to carry freight and passengers at lower rates than would be possible, if the line had only an east bound business, and nothing to carry west but empty cars.

When the Company is in a position to send trains through, direct from Montreal *via* Winnipeg to the Pacific Ocean; its express trains making the entire distance in ninety hours; and when the connections of the line with the business centres of the Provinces of Ontario and Quebec have been established; the Canadian Pacific Railway will assume a commanding position as Canada's national highway, and by better service, a shorter line, superior accommodation, and moderate rates, will secure the traffic which naturally belongs to it, and effectually prevent it from seeking transportation over foreign lines.

The surveys of the gap between the completed portions of the Eastern and the Western Divisions have been completed, as well as the surveys across the Rocky and Selkirk mountains. The work has in both cases been found much easier than was anticipated and the Directors feel now that they may safely state that the entire line will be completed within the original estimates of cost.

It has been ascertained that the cost of finishing the line will not exceed twenty-seven million dollars—barely the amount of the cash subsidy and land grant Bonds unsold, and remaining in the hands of the Government.

The gross earnings for 1883 (estimating the month of December) were.....	\$5,420,913
This includes for the transportation of construction materials and supplies.....	1,274,000
The actual revenue from ordinary traffic was therefore in 1883.	4,146,913
As against in 1882.....	2,449,824
Increase in 1883.....	<u>1,697,089</u>

The net earnings for the 9 months ending Nov. 30th have been \$889,811

Considering the adverse circumstances under which this result has been obtained, and in view of the extraordinary development and rapid settlement of the North-West during the past year, and of the fact that on the opening of navigation, the Company will have—as already stated,—a through line of its own from Montreal to the summit of the Rocky Mountains; a still greater increase in the earnings of the coming year may fairly be looked for.

Seeing the effect which the operations of speculators, aided by the hostile efforts of the enemies of the Company in the press and elsewhere, had on the market price of the shares; being unwilling that the shareholders should be intimidated into sacrificing their property; and desiring to increase the value of the stock as a sound investment; the Directors early in November last made an arrangement with the Dominion Government to ensure for ten years, a minimum dividend