

"A.—It is not true, as stated, that the B. & M. R.R. advised it was willing to pro-rate the terminal charge of 3½c. per 100 lbs., & that the C.P.R. took no action."

"Q.—Is the explanation given by the correspondent, signing himself 'St. Lawrence,' in his letter headed 'Railway Defence,' which appeared in the Globe recently, justifying a \$6 ore rate, the true one? He alleges that the rate referred to was the proportion of a through rate to a smelter in the U.S., & the shipper was in no way affected thereby, because if the C.P.R. had taken less than the U.S. road, a smelter would have showed the difference."

"A.—The explanation given by 'St. Lawrence' as regards rate on ore is quite correct. The through rates & divisions from the mine to the smelter were made jointly by the C.P.R., Great Northern Ry., & American Smelting Refining Co., & do not in any way interest the mine owner. Even if the C.P.R. had carried the ore for nothing, the mine owner would have received exactly the same price for his ore, the reason for this being that there was an agreement made by the various smelters that a certain uniform price be charged for freight & treatment to all mine owners, which would not vary, irrespective of the question of freight rate & regardless of the distance the ore was hauled from the mine to the smelter."

"Q.—Is it true that in the fixing of through rates from the Atlantic coast to such places as Calgary or Medicine Hat or Revelstoke, the basis upon which the rates are fixed is that of the through rate from the Atlantic coast to Vancouver, plus the rate from Vancouver to the ultimate point of destination?"

"A.—As regards the question of through rates from the Atlantic seaboard to such points as Calgary, Medicine Hat & Revelstoke, these points are not affected by the rate to Vancouver. It sometimes occurs that a very low rate is made from the Atlantic seaboard to the Pacific coast on certain commodities as against competition via Cape Horn, & occasionally these rates may affect to some extent the rates to interior points a few hundred miles distant from the coast, which is to the advantage of the interior, for if the railways were debarred from competing with the water routes on coast traffic, no advantage would result to the interior towns, while, on the other hand, if the railways deem it advisable to make a low rate to the Pacific coast on certain kinds of heavy freight, that rate is taken into account in the rate charged on the same commodities to the interior."

"Q.—In addition to the ordinary rate schedules given to the shippers are there any billing instructions to the company's employees which will cause a difference of rates that would not appear in the schedules? It is alleged that sometimes the schedules show a rate agreeing with the competitive rate, but this is not the one actually enforced."

"A.—In addition to the tariff showing class rates the railways issue commodity tariffs, which are not secret, but open tariffs, & can be seen by the public any time."

"Q.—What have you to say to the contention made by A. McNeill, of Walkerville, that grapes, being a commodity which has a less marketable value than grain (estimated by the ton), ought to be carried by the railways at a less cost? Mr. McNeill says grapes are worth to the grower only \$12 to \$16 a ton."

"A.—The statement made by Mr. McNeill that fresh fruits are carried to the Northwest in common box cars, the same as used in transporting grain, is incorrect. All fruit is now transported in special equipment, either ventilated or refrigerator cars, generally the latter, as it is necessary to keep the cars iced in warm weather, & when it is cold refrigerator cars are needed to keep the fruit from freez-

ing. Only 20,000 lbs. of fruit can be loaded on a car, whereas 60,000 lbs. of grain is a carload. As regards the question of price, the statement was made by Mr. McNeill that grapes were worth 11c. a basket of 10 lbs. at Walkerville, which is certainly very much higher than the value of wheat. The rate on fruit from Windsor to Brandon is 1c. per lb. in car loads, but shippers can forward by express in small lots at 20c. a basket, equivalent to 2c. a lb., so that grapes can be laid down in Brandon in small quantities at a cost of about 3c. a lb., which certainly must be considered a low price for that class of goods, nearly 2,000 miles distant from the point of production. If, as stated by Mr. McNeill, grapes cost 50c. a basket laid down at Brandon, the difference is somebody's profit, not the railway's."

"Q.—What about the statement that a merchant of Minnedosa was able to team a case of plate glass from Winnipeg to Minnedosa cheaper than the railway would haul it?"

"A.—The mention made by the Globe of a case wherein a merchant of Minnedosa was able to team a case of plate glass from Winnipeg to Minnedosa cheaper than the railway would haul it refers to a transaction which occurred over 10 years ago, when Minnedosa was a point on the M. & N.W.R. & not on the C.P.R. The case of glass in question was too large to be loaded in a box car, & the railways asked to be paid for hauling a flat car to be provided especially for this shipment."

The Toronto Railway Company.

Following is an abstract of the report for the year ended Dec. 31, 1900, presented at the annual meeting on Jan. 16. The gross earnings amounted to \$1,501,001.28, an increase over the preceding year of \$167,458.84. This large increase exceeded the most sanguine expectations of the directors, & augurs well for the future of the Co. The financial statement shows a net profit of \$454,162.85, as compared with \$432,869.43 the previous year. The Co. has declared out of the net profit 4 quarterly dividends of 1% each, aggregating \$240,000, which leaves, after deducting pavement charges paid to the city, \$150,162.85. The total expenditure on capital account during the year amounted to \$185,000. The surplus, as in previous years, has been expended in enlarging the power plant, extensions of lines, additions to the rolling stock & feed wires, the purchase of real estate & construction of buildings required for the business, making a total of over \$1,000,000 expended in this way out of surplus earnings. A new 1600 h.p. direct connected engine & generator was installed in the power house. The rolling stock has been increased during the year by a large number of cars built at the Co.'s workshops, & additional cars are being constructed, which will be ready for next season's traffic. The cars constructed have been chiefly large double truck cars, equipped with 4 motors each. An extension was made to the St. Lawrence st. car house, giving additional storage capacity for the increased rolling stock. The percentage of operating expenses to earnings was 51%, as compared with 48.8% last year, an increase of 2.2%. This was due to the larger number of cars operated to meet the requirements of the service, the higher price of coal, & increased wages granted by the Co. to its motormen, conductors, & other employees. The power plant, tracks, rolling stock & system generally received careful attention & have been maintained in a high state of efficiency. The total amount paid to the city in taxes & pavement charges during the year was \$204,383.81, & in addition thereto the Co. paid the Provincial tax levied under the Revenue Act.

STATISTICAL STATEMENT 1892-1900.

	1892	1893	1894	1895	1896	1897	1898	1899	1900
Gross earnings	\$830,008.49	\$900,232.59	\$958,370.74	\$992,800.88	\$997,273.20	\$1,077,612.53	\$1,210,618.24	\$1,333,542.44	\$1,501,001.28
Operating expenses	590,333.26	537,597.15	517,707.53	489,914.76	507,760.31	545,801.25	578,857.26	650,324.55	775,980.82
Net earnings	239,675.23	362,635.44	440,663.21	502,886.04	489,512.97	531,811.28	631,760.98	683,217.89	725,020.46
Passengers carried	19,122,022	21,215,010	22,609,338	23,553,238	23,537,911	25,271,314	28,710,388	31,826,940	36,061,867
Transfers	5,592,708	8,477,147	7,438,171	7,257,572	7,351,895	8,169,022	9,287,239	10,538,279	12,570,704
Percentage of operating expenses to earnings	71.9	59.07	54.0	49.3	50.9	48.8	47.4	48.8	51.0

FINANCIAL STATEMENT YEAR ENDED DEC. 31, 1900.

ASSETS.	
Road & equipment, real estate & buildings, including pavements & suburban lines.	\$10,343,394.49
Stores in hand	65,372.16
Accounts receivable	28,740.31
Cash in bank	115,422.83
Cash in hand	13,790.46
	<u>\$10,566,720.25</u>
LIABILITIES.	
Capital	\$6,000,000.00
Bonds—Tor. Ry. Co., 4½% Stg.	\$1,881,953.33
" " " " Cur.	628,000.00
" " " " 6% Deben	600,000.00
Tor. & Mim. Elec. Ry. & Lt. Co.	100,000.00
Tor. & Scar. Ry., L. & P. Co.	40,000.00
	<u>\$3,249,953.33</u>
Less bonds not sold, & in hand for future requirements of the Co.	<u>250,000.00</u>
	<u>2,999,953.33</u>
Mortgages	70,000.00
Advance on bonds	200,000.00
Accrued interest on bonds	54,872.32
Accounts and wages payable	84,651.18
Unredeemed tickets	10,748.70
Uniforms	207.60
Dividend 18, payable Jan. 2, 1901	60,000.00
Balance profit & loss—	
As at Dec. 31, 1899	\$939,624.27
Less directors' fees, 1899	<u>3,500.00</u>
	<u>\$936,124.27</u>
As at Dec. 31, 1900	<u>150,162.85</u>
	<u>\$1,086,287.12</u>
	<u>\$10,566,720.25</u>