G.T.R. Semi-Annual Meeting.

(*Continued from page 229.*)

the traffic receipts were still behind those for the same period of 1903, which was an exceptional year.

Having referred to the operations of the G.T. Western Ry., and the Detroit, Grand Haven and Milwaukee Ry., and to the proposal to reduce the number of directors to ten, the President stated that it was ten years ago that the present board was placed in office. At that time, the company was not earning its fixed charges—it was living upon borrowed capital, a considerable deficit had accrued, which at June 30, 1896, amounted to £306,000. It was a very difficult matter for the company, under such circumstances, to do much in the way of alterations and improvements. However, times began to mend, and by the end of 1897 the deficit had been paid off, and in 1898 the payment of dividends was resumed. He reviewed the work done in the way of improving the line, strengthening bridges, etc., stating that now between Portland, Me., and Sarnia, Ont., there were 800 miles of line capable of carrying the heaviest traffic, and including the G.T. Western, 956 miles of double track, against 404 miles in April, 1895. The freight cars in 1894 numbered 22,486, with a capacity of 399,066 tons, to which there was added the 71 cars of 1,771 tons capacity of the Cincinnati, Saginaw and Mackinaw Ry., making altogether 22,583 cars of 400,837 tons capacity, an average of 17.75 tons per car. These were now represented by 22,174 cars of 530,470 tons capacity, or an average of 23.92 tons per car. In addition there had been added out of capital 4,360 cars of a total capacity of 148,800 tons. Although no addition had been made to the number of locomotives during the ten years, their hauling power had been increased over ⅓, which had been accomplished by building engines of greater capacity when renewals were made. In 1894 the gross receipts of the whole system were £4,419,340, for 1904 they were £6,996,217, an increase of 58%. The net receipts in 1894 were £1,058,781, in 1904 they were £1,809,067, an increase of 71%. In spite of all the great works and improvements which have been accomplished, the fixed charges of the system have only increased by £56,314, or a little over 4½%. Since the payment of dividends was resumed in 1898, the proprietors have received in dividends £3,500,000. The improvement in the value of the property is perhaps best shown by the market value of the securities, and he found on comparing the prices of to-day with the prices of the date when the change in the board was made, that they showed an aggregate improvement in value of considerably over £20,000,000.

He should like to recall, especially for the consideration of those who thought, perhaps, that enough had not been done for the shareholders, how heavily handicapped the company was by the finance of its earlier history. Out of a total capital at present of £69,750,000 only about £45,000,000 had been actually received in cash into the treasury of the company. For instance, of the £13,118,000 of existing preference stocks, first, second and third, no less than £6,000,000 represented unpaid dividends which were capitalized and added to the stocks between the years 1862 and 1872. Again, of the £23,000,000 of ordinary stock, the first £3,000,000 were paid for at par or something approaching par, but as regards the other £20,000,000, not more than 20% represented cash, that is to say, only £4,000,000, which, added to the other £3,000,000, makes a total of £7,000,000 actually received by the company on which there was a capital liability of £23,000,000. While the company's capital stands at £69,750,000, it really is only represented in cash received by the company by £45,000,000. In 1904 there was distributed in interest and dividends £1,800,000, and if it had not been for the unfortunate watering of the securities in times past, that sum would have admitted 4% to have been paid upon the whole of the company's capital.

The board had not only been careful of the current necessities of the company, but had sought to consolidate and broaden its foundations so as to permit of its availing itself to the fullest extent of the growing development of the Dominion, which promises a future prosperity for Canada to which it is difficult to foresee the limits. From this point of view the directors had recently acquired the Canada Atlantic Ry., and had promoted the G.T. Pacific Ry., both of which undertakings will tend greatly to strengthen the position of the parent company, while the board had surrounded them with every precaution for minimizing the financial risk and responsibility of the G.T.R. With regard to the G.T. Pacific Ry. Co., the directors had thought it their duty to avail themselves of the favorable condition of the money market, and, looking well ahead, they had considered it prudent to make provision for securing the whole of the necessary funds for the completion of the most important portion of the new undertaking—that was to say, the Lake Superior branch, and the 1,200 miles from Winnipeg to the foot of the Rocky Mountains. At their last special meeting, he mentioned that a preliminary arrangement had been made with Messrs. Speyer for the issue of the first quantity of bonds. Those negotiations were successfully carried through, and since then the board had been able, with the concurrence of the Canadian Government, to make an arrangement with the Rothschilds for disposing of the whole of the bonds necessary for the completion of the line. Their minds might, therefore, be entirely at ease as to the capital. Whatever might happen during the next three or four years, while the line was under construction, they would have the satisfaction of knowing that they had obtained the money, and that they had obtained it on favorable terms, for carrying out the whole of the prairie section and the Lake Superior branch. He considered that it was a matter for congratulation that the eminent firm of Rothschilds had associated themselves with Canadian finance, and especially with the finances of this company. The latest advices from Canada were to the effect that construction upon the Lake Superior branch would commence in June, and upon the prairie section not later than July.

He closed by moving the formal resolution adopting the report, and statement of accounts, and declaring dividends as follows:

On the 4% Guarantee Stock......	2%
On the First Preference Stock....	5%
On the Second Preference Stock..	5%

A. W. Smithers seconded the resolution, which was passed. The retiring directors were re-elected, a resolution passed reducing the number of directors to ten, and the retiring auditors were re-elected.

The Canadian Coal and Ore Dock Co. is going to build a combined coal and ore dock at Port Arthur, Ont. The first section will be 3,000 by 600 ft., and will be completed this year. The site lies between the Neebing River and MacIntyre Creek, and it is proposed to dredge a channel, about 200 ft. wide and 3,000 ft. in length, from the harbor, which will cross the end of the dock, and to divert into it the waters of the creek and river. The Barnett and Record Co., of Minneapolis, Minn., are the contractors. The dock will be open to the public and all coal dealers will be permitted to use it, a fixed tariff being arranged for handling and storage.

Complaints Respecting Freight Rates.

In the House of Commons recently the Committee on Agriculture and Colonization presented the following report:—

"The committee have had urgent and repeated complaints laid before them to the effect that farmers in Ontario were handicapped in the export of their products and their profits correspondingly reduced by discriminating rates charged by Canadian railways as between competing and non-competing points within Canada; and also by discrimination by these same railways running through territory in the U.S., by their giving farmers of the latter much more favorable freight rates than that given to the farmers of Canada for similar and comparative distances to market points. The committee appointed a sub-committee to investigate these complaints, with authority to procure evidence, the committee having in view, if substantial evidence of the said charges were procured, to recommend a reference of the case to the railway commission. The sub-committee having made report to the committee substantiated by the evidences contained in the schedules hereto annexed, as an essential part of this report, and the committee having taken the report and evidence therewith into consideration, have adopted it as their own report, and as such, submit it with the schedules annexed to the consideration of the House, as follows:—

"LIVE STOCK.—Live stock shipments via G.T.R. from U.S. points. Tariff L.C.C. no. A-708 shows rates charged on cattle, sheep and hogs from Bancroft, Belsay, Duffield and other points to New York, Boston and Montreal.

"Live stock shipments via G.T.R. in Ontario. Tariff E-54 shows rates charged from points in Ontario, namely, Sarnia, Windsor, Ridgetown, Thamesville, Stratford, Lucknow, Bothwell, London, Listowel, and other points to New York, Boston and Montreal. Tariff (G.T.R.) I.C.C. A-748, shows the local rates charged on horses, cattle, sheep and hogs in the U.S. The standard mileage tariff (Canada-Atlantic Ry.) on live stock, C.R.C. no. 1, shows local rates charged on similar shipments in Canada. Tariff (Michigan Central Rd.) C.R.C. 409, shows rates on live stock from the United States to the sea-board. Tariff (G.T.R.) C.R.C. no. W-8, shows rates on live stock from the U.S. to the sea-board. Tariff (G.T.R.) C.R.C. no. 54, shows the same. Comparison of the above tariffs will show the material difference in favor of the U.S. farmer. The above tariffs will show the rates charged out of U.S. territory from points under the exclusive control of the G.T.R. to be very much lower than from points on its line in Canadian territory. This applies to shipments for both local and export, for instance, rates from Chesterfield, Mt. Clemens, Lennox, New Haven, etc., on cattle for export is 22c., whereas from Windsor, Sarnia, London, etc., the rate is 25c. per 100 lbs. On shipments between local points the difference is very much greater.

"GRAIN AND GRAIN PRODUCTS.—Tariff (G.T.R.) no. B-12, shows rates on grain and grain products to New York, Boston, and Philadelphia and Montreal. Tariff supplement to C.R.C. 81, tariff G.B.J. 16, tariff G.B.J. 17 shows the rates charged on local shipments in Canada. Tariff C.R.C. no. W-48 rates on grain products to the sea-board points for local and export shipments, G.F.D. 859, shows local rates on grain and grain products in the U.S. On grain and grain products the rates from U.S. points are very low when compared with the rates from Canadian points, more particularly when for local use or shipment via U.S. points for export. The rate from Chesterfield, Lennox, Mt. Clemens, New Haven, etc., in the U.S., for export on grain is 2c. and on grain products 11c. For local shipment the rate would be 13½c. to New