quired in addition to the 30% of the gross receipts of the line to meet the interest on the bonds. I referred back the other day to the record of the meeting at which that agreement was recommended to you in 1890, and your then President, my worthy predecessor, described the line to you as being a feeder and a most valuable connection. A somewhat censorious shareholder who was present on that occasion got up and described it merely as "another leech to the Co." Well, experience has shown that that shareholder spoke with a prophetic instinct, because from the moment that the agreement was entered into up to the present time the earnings have never been sufficient to pay the interest on the bonds. When the C. and G. T. underwent its reorganization recently the receivers obtained permission to withdraw from the agreement so far as that Co. was concerned, and an increased liability was thereby thrown upon the G. T. Co. Under these circumstances, we have been in negotiation with the representatives of the bondholders of this line, and after a great deal of trouble we have arrived at a result which, I think on the whole, is the best that can be made, and it involves some saving in our obligations. It is proposed that, instead of a working arrangement, there should be a direct lease, and that we should pay a regular fixed rental of $43,225 a year for the line, making what we can out of it, if anything is to be made out of it at all. The result would be that, upon careful investigation of the figures, we should be about $13,000 a year better off than if the arrangement was to go on as heretofore. Therefore, I think there is good reason why you should accept the agreement, although I cannot hold out any reasonable expectation to you that the line will ever be much more than was so aptly described by the shareholder I alluded to just now.

I think I have touched upon most of the topics which are of immediate interest, and I would only say for the immediate future, that is, for the current half-year, that our prospects appear encouraging. There appear indications, which may or may not be fulfilled that the price of some of the materials which enter into our working will be rather less. Rates recently have been slightly better, and up to April 21 our gross receipts over the whole system amounted to an increase of £65,000. Then we have also the adventitious opportunity presented by the Buffalo exhibition, which I hope will bring some grist to our mill, and help the prospects of the present ½-year. If you ask me a question as to the future—a question which is frequently addressed to me and my colleagues on the board—my answer is, that I do not possess the gift of prophecy, although a good many of my correspondents seem to think that that is, or should be, a special attribute of the President of the G. T. Co. But that is not at all the case. I can only express the hope that the present prosperity may continue as long as possible—that it should continue for ever without any set-back or check, is certainly what we cannot look forward to; but, having said so much, I can assure you that, whatever happens, the board will not swerve from the policy which we have hitherto pursued and which so far has been attended with good results, avoiding all rash and unprofitable undertakings, cultivating good relations with our connections and competitors, developing our business, and, above all, steadily persevering with a judicious and remunerative expenditure for the improvement of our property which may secure us the largest measure of advantage in prosperous times, and enable us to hold our own should conditions become less favorable.

The report and accounts for the ½-year were adopted and the following dividends were authorized: 4% guaranteed stock, 2%; 1st preference stock, 3½%; 2nd preference stock, 3%.

The acts of the Dominion Parliament referred to in the President's speech were accepted and the directors were authorized to exercise at their discretion the powers conferred by sec. 6 of the G.T.R. Act, 1901.

The retiring directors A. Hubbard, Sir H. M. Jackson, L. J. Seargeant and Lord Welby, were re-elected. The retiring auditors, G. B. Newton, London, Eng., and W. M. Ramsay, Montreal, were re-elected.

The meeting closed with a vote of thanks to the directors.

Quebec Central Railway.

Following is the report for the year ended Dec. 31, 1900, presented at the annual meeting in London, Eng., June 5.

Following is a comparison of the year's revenue account with that of the previous year:

1899.		1900.
$502,409	Gross earnings	$537,995
334,238	Working expenses (including taxes)	368,544
$168,171	Net earnings	$169,451
974	Interest on balances	777
$169,145	Net revenue	$170,228

The above statement shows increases in the gross earnings of $35,586, in the working expenses of $34,306, and in the net earnings of $1,280. After providing $81,234 for the year's interest paid and accrued upon the prior lien bonds and debenture stock, there remains a net revenue balance for the year of $88,994, which, added to the $24,676 brought forward from 1899, makes an available balance of $113,670. Against this amount $20,991 has been charged for damage caused by accidents, and interest at the rate of 2¼% on the income bonds payable May 1, 1901, has been declared, absorbing $74,022, which leaves a balance of $18,657 to be carried forward.

Appended to this report are copies of acts recently obtained from the Quebec Legislature to further amend the charter of the Co. A general special meeting of the holders of income bonds will be held after the annual general meeting to approve the terms and conditions prescribed by the directors for the sub-division of the income bonds.

Up to Dec. 31, 1900, £222,087 of the new 4% debenture stock had been issued. Of this £196,100 had been used in retiring a like amount of prior lien bonds, and £25,987 had been sold to provide funds for a portion of the requisite additional capital expenditure authorized by the act of 1899. There remained $153,900 prior lien bonds unexchanged on Dec. 31, 1900.

The directors regret to report that during the year the bridge over the River Etchemin at St. Anselme was washed away, and a collision occurred at Beauce Junction. The cost of these accidents amounted to $20,991, which has been charged against revenue.

By the constitution of the Co., the board, other than the Provincial Government director, has to be elected annually, and the present directors offer themselves for re-election.

The accounts have been audited by Maitland Young, accountant, of Hamilton, Ont., as special auditor.

EXPENDITURE.

1899. $ c.		1900. $ c.
58,183 18	Conducting transportation	62,084 47
88,351 97	Maintenance and working of locomotives	110,165 38
21,514 75	Maintenance of cars	25,526 95
93,342 58	Maintenance of way	98,482 58
33,259 61	General expenses	31,770 05
39,586 03	Miscellaneous expenses	40,514 69
334,238 12	*Total working expenses	368,544 12
168,170 95	Balance carried to net revenue account	169,451 36
502,409 07		537,995 48
66.52	*Per cent. of gross earnings	68.50

RECEIPTS.

1899. $ c.		1900. $
158,460 87	Passengers	171,248 26
323,397 11	Freight	346,716 90
12,735 60	Mails	12,879 60
6,000 00	Express	6,000 00
1,815 49	Miscellaneous	1,150 72
502,409 07		537,995 48

1899. $ c.			1900. $ c.
66,379 30	To interest paid, accrued and unclaimed, on prior lien bonds to Dec. 31	37,728 83	
16,270 89	To interest accrued on 4% debenture stock to Dec. 31	43,504 86	81,233 69
82,650 19			
	To cost of new bridge at St. Anselme	11,997 39	
	To cost of accident at Beauce Jct.	8,993 35	20,990 74
98,697 83	To balance carried to general balance sheet		92,679 65
181,348 02			194,904 08

1899. $ c.		1900. $ c.
12,202 97	By net revenue balance brought forward	24,675 84
168,170 95	By net revenue for year	169,451 36
974 10	By interest on capital temporarily employed	776 88
181,348 02		194,904 08

APPROPRIATION ACCOUNT FOR 1900.

	$ c.
Interest of 2¼% on income bonds for year 1900	74,022 00
Balance carried forward	18,657 65
Net revenue balance at Dec. 31. 1900	92,679 65

GENERAL BALANCE SHEET, DEC. 31, 1900.

DEBITS.

Share capital	£694,850	$3,381,603 33
5% income bonds	676,000	3,289,866 67
5% prior lien bonds	153,900	748,980 00
4% Debenture stock	222,087	1,099,073 40
Wages unpaid, Dec. 31, 1900		12,773 98
Sundry outstanding accounts due by Co.		57,026 15
Sundry outstanding traffic accounts due by Co.		2,356 14
Interest on prior lien bonds unclaimed, and accrued but not due		17,393 07
Interest on 4% debenture stock accrued but not due		18,682 89
Interest on income bonds unclaimed		7,405 04
Reserve contingent fund at Dec. 31, 1900.		60,463 33
Net revenue balance at Dec. 31, 1900		92,679 65
		$8,788,303 65

CREDITS.

Cost of main line, extension, and equipment at Dec. 31, 1899	$8,424,822 39	
Hon. Geo. Irvine, trustee account	74,295 87	
Capital expenditure, 1900	18,816 51	$8,517,934 77
Sundry outstanding accounts due to the Co		117,639 77
Sundry outstanding traffic accounts due to the Co		4,897 14
Old rails		1,888 44
Materials and supplies		35,926 90
Fuel		13,753 74
Cash in hand, in bank, and in transmission		84,769 02
Cash in bank in London		11,493 87
		$8,788,303 65

LINES OWNED BY THE COMPANY.

	Miles.
Main line—Sherbrooke to Harlaka	137.50
Chaudiere branch—Beauce Jct. to St. Francis	15.00
Tring and Megantic branch—Tring to Megantic	59.36
Total miles owned	211.86

TRACKAGE RIGHTS.

Harlaka Jct. to Levis (Intercolonial Ry.)	5

PASSENGER TRAFFIC.

1899.		1900.
151,795	Number of passengers carried	166,148
$158,461	Receipts	$171,248
$1.04	Average earnings per passenger	$1.03

FREIGHT TRAFFIC.

1899.		1900.
309,900	Tons of freight hauled	327,395
$323,397	Receipts	$346,717
$1.04	Average earnings per ton	$1.06