end of July, & that there were greater delays than usual to navigation in the canals. The increase in operating expenses is mainly due to the large extra improvements made in a number of the steamers. The business of the hotel at Tadousac has been very satisfactory. The hotel has been operated on a liberal scale with a view to increase travel. In consequence of its continued inability to accommodate the guests offering, another enlargement of the building was made in Oct. & Nov. last, the grounds about the hotel improved, & golf links added to the other amusements. A complete electric light plant will be added. The directors regret that the new steamer Toronto was not ready for service on the Western route in Aug. last, as expected. She will be in commission on the opening of next season. It is the intention to equip the entire service between Toronto & Montreal with new steamers of the largest size practicable, & to enlarge the steamers on the other principal routes, as the increasing business requires. Parliament will be asked, at its next session, for power to increase the Co.'s capital for that purpose. It is also the intention to place 2 steamers on the Hamilton route during the ensuing season, & a daily service on the Saguenay route. In conformity with the deed of trust securing the Co.'s Bonds, issued in 1895, 40 bonds of £100 each, amounting to $19,466.66, have been withdrawn & cancelled, making a total to date of $55,479.98 out of the original issue of $571,883.33. The Co.'s steamers & the property have been kept in a first-class & improving condition. The directors are pleased to report that their relations with the railways, on both sides of their line of navigation, are of the most cordial character.

FINANCIAL STATEMENT YEAR ENDED DEC. 31, 1898.

ASSETS.

Steamers, real estate, buildings, wharves, etc.			$2,369,842.99
Coal, stores, provisions, etc			96,683.61
Accounts receivable			63,091.84
Cash in bank			7,520.36
			$2,537,138.80

LIABILITIES.

Capital stock			$1,740,000.00
Bonds 5% sterling		$571,833.33	
Less cancelled	$55,479.98		
In treasury	15,086.68		
		70,566.66	
			501,266.67
Accounts payable			56,360.58
Unclaimed dividends			219 00
Accrued interest on bonds			8,605.88
Surplus			230,686.67
			$2,537,138.80

INCOME ACCOUNT.

Two dividends 3% each, paid May 2 & Nov. 2, 1898	$104,400.00
Carried to surplus Dec. 31, 1898	7,627.55
Net income over & above expenses, fixed charges & interest, for year ended Dec. 31st, 1898	$112,027.55

After the adoption of a by-law regarding the issuance of stock certificates, President Forget asked the approval of the action of the directors as regards the application to the Legislature to amend the charter & give the right to issue additional stock & also to give power to take up the management of hotels. This was granted.

The following directors were elected: Senator Forget, W. Wainwright, R. Forget, Col. F. C. Henshaw, W. Hanson, J. K. Osborne, H. McKenzie, C. O. Paradis, E. B. Garneau, J. Lewis & Major Pellatt, the latter replacing J. Swift, of Kingston.

I. McL. Spackman wished to know the basis of cost of the Co.'s vessels. Was the cost as shown in the statement based on the original cost of the fleet? Was it based on the price the vessels would bring to-day? or was there a present estimated value placed upon the fleet? These were questions which in his mind had much to do with the present price of the stock in comparison with other stocks in the market. It was often said on the Street that the Co.'s steamers were placed at altogether too high a valuation, & this story, which had persistently gone around for years, had done much toward preventing the stock from climbing upward at a rate which the shareholders thought was warranted by the earnings.

Senator Forget said that some years ago when he took hold of the Co. a board of experts was appointed, & it was their estimate which had been followed in making out the valuations of the different steamers of the line.

Lt.-Col. Henshaw said he was well aware that this had been a source of annoyance for years. At the time that Senator Forget became the President of the Co., J. Cantin, of Montreal, & G. Davis, of Quebec, & one other disinterested man were appointed a board of experts to give a proper valuation to the steamers, & he considered that the present valuation was very low indeed.

The General Manager said the str. Quebec was valued on the books at $175,000, & the str. Montreal was valued at $130,000. The contract price of the new str. Toronto was $240,000, & the extras would amount to another $30,000. The earning power of the old steamers, combined with their first-class condition, placed them in a very enviable position as compared with the new steamer.

W. McNally asked what the prospects were for the American Line this year. W. Wainwright said that the Richelieu was on the best of terms with the New York Central, but as regarded the American Line he could give no information.

Senator Forget was re-elected President, & W. Wainwright, Vice-President.

"Investor" writes from Montreal to the Monetary Times as follows:—"At the annual meeting of the R. & O. N. Co., held here this week, the President of the Co. is reported to have stated, in answer to an inquiry from a shareholder, as to the value of the Co.'s property, that the Co.'s vessels were worth more than they cost; that a good steel hull would last for 100 years; that the steamers of the R. & O. Co. increased in value every year; he was certain that most of them were worth one-third more than their estimated value, & at any rate could not be replaced for what they had cost. Lieut.-Col. Henshaw is said to have stated that the steamers were worth twice what they had cost; he thought the President undervalued them. General Manager Gildersleeve gave the cost of the 3 most expensive of the Co.'s boats, concluding with the new Toronto, just being completed, at a cost of $270,000. 'That will show you what steamers cost,' said Lieut.-Col. Henshaw, in the published reports of the meeting, '& we have 25 of them.'

"Now, on behalf of the investing public, I would like to ask, are these numbers to be understood as showing that the directors of the R. & O. N. Co. are writing the words of a new comic opera to take the place of H.M.S. Pinafore, or do they thus place themselves on record as responsible men in control of the finances of a great company? Can Senator Forget repeat his statements with a straight face, & assure us that the Algerian for instance, so often re-built, is worth what she cost the Co. And if steel hulls have a life of 100 years, why has the Cunarder Adriatic, built in 1871, been condemned to the scrap heap during the past few days. As to replacing those boats at cost price, I agree with the President that it is impossible, because any board of directors, letting contracts for such boats at such prices would be immediately subject to examination, de lunatico inquirendo by their next of kin. The evidence offered in the dialogue between Mr. Gildersleeve & Mr. Henshaw is rather conclusive. To reduce the matter to a more concise statement, if the 3 best boats are worth $575,000, what is the value of the worst one? The answer may be any amount the reader feels competent to decide upon. What a Klondyke the ark would have been, if it had only been registered in the R. & O. fleet, & kept in commission."

It is said the str. Toronto will commence running between Toronto & Prescott June 1. The running of the Co.'s lake steamers will differ somewhat from last season. Stops will not be made at Bowmanville, Port Hope & Cobourg, & a U.S. city of large size will be touched at instead. With the present business revival & the abundance of money, together with the new steamer, the directors state they expect the gross receipts to turn the million mark in the season of 1899.

ELECTRIC RAILWAYS.

Halifax Electric Tramway Company.

At the third annual meeting, Feb. 13, the following report was presented:—The business of the Company for the year ended Dec. 31, 1898, shows a net profit, after the payment of all fixed charges, of $54,784.54 as against $49,808.77 of 1897. From the profits of this year 4 quarterly dividends of 1½% have been paid, leaving $6,784.54 to be carried forward to profit & loss account. The gross earnings were $197,830.46, an increase over 1897 of $4,450.78. There was an increase in operating expenses of 5.35% for the first 6 months of 1898 over that of the corresponding 6 months of 1897, & a decrease in operating expenses for the last 6 months of 1.45%. The increase in the operating expenses for the first 6 months of 1898 was due to the cost of re moval of unusually large quantities of snow. The power & electric light plants have received careful attention, & are in a condition of high efficiency. The rolling stock has been increased by the addition of 2 open & 2 box cars. The construction work in the power house commenced in 1897 has been completed during the past year, & in addition a rotary transformer has been added to increase the available power for railroad purposes. Double track & turnouts have been laid on Barrington, South Park, Pleasant & Hollis Sts., in consequence of which the Co. has been enabled to operate 18,591 more car miles, & thus render better service. The property adjoining the power house, containing 21,420 sq. ft. of land,