White Pass and Yukon Railway Co.'s Annual Meeting.

The annual meeting was held in London, Eng., Dec. 16. The chairman of the company, C. C. Macrae, said:—

I shall invite your attention to the principal figures in the accounts. Interest on local securities remains as usual. Dividends on shares of local companies yield £47,756, as against £34,142 in the previous year. On the debtor side of that account the figures are substantially similar to those in the preceding year, but the larger amount received from dividends paid by the local companies and various reductions in the items of expenditure increase the balance of profit carried to the balance-sheet by £15,178—or £41,018, against £25,840 in 1912. Going to the balance sheet, the item of our holding in securities of the local companies, taken at cost price, remains at £2,374,011. The balance due from local companies stands this year at £47,294, as compared with £56,509 in the previous year. The sinking fund investment is increased from £210,819 to £239,984, and we have a further credit this year of £4,849 expended in advance for the sinking fund contribution required for the year ended June 30, 1913. On the debit side of this account the items remain constant until you get to that of sundry creditors, which stands at £5,419, against £19,109 in the preceding year, or a reduction of £13,690. The item representing the sinking fund is increased in the natural course of the accumulations to that fund by an amount of £29,165, and the profit and loss account is brought up from £35,090 in 1912 to £44,392 in 1913, in the way shown in the balance sheet. Deducting from this £18,591 reqired for the sinking fund instalments due this year, there remains a balance of £25,801, which would have been sufficient to enable a dividend at least equal to that paid last year to have been distributed, but which, for considerations which I shall explain to you when I have finished with the figures, the directors recommend to be carried forward to next year.

Turning to the report of the President of the local companies, a comparison of the figures shows that in the rail division there were carried 10,898 passengers and 51,517 tons of revenue freight, against 10,441 passengers and 20,028 tons of revenue freight in the preceding year. This large increase of about 150% in the tonnage of paying freight carried is very gratifying, and is principally due to the active development in the copper mining work done in the White Horse territory. The average load per car is also materially increased, an important matter as regards the cost of carrying. The operating expenses, which have shown substantial decreases in each of recent years, show a decrease of $42,318, as compared with the previous year, and of $109,446 as compared with the year before that. In the river division the number of passengers carried is, curiously enough, almost identical with that of the previous year, while the tonnage of revenue freight carried is increased by about 6%, or from 15,825 tons to 16,723 tons. This traffic was worked with one steamer less than in the preceding year. It is also satisfactory to note that the season during which the fleet operated was prolonged by about a week at the opening, and that the last boat (from Atlin to Caribou) ran as late as Nov. 2, which beats the record for date of running in the history of the White Pass companies. On this point I may ask you to note a statement in Mr. Dickeson's report to the effect that "two small steamers endeavored to operate later than ourselves, with the result that they were both frozen in at Indian River." Owing to the longer season there was an increase in the expenses of operating this division of $5,931, but this was offset by the increased revenue obtained from the larger business done. On the winter mail service figures I need say nothing, except that they correspond fairly closely with those of the previous year, while the operating expenses are substantially reduced. The anomaly of the situation in which your chairman regularly finds himself at these general meetings is that he has to address you at the end of each year upon a report and accounts relating to the previous year only, while at the time he knows generally what has been the result of the companies' operations in the succeeding year—namely, the year in which he is speaking. I have myself always endeavored in my speeches at these meetings to confine my own remarks to the period strictly before the meeting—although later information has ordinarily been given by the President of the local companies—but, inasmuch as in the report before you we recommend the carrying forward of the whole balance of profit and loss instead of paying a dividend thereout, as the figures justify, and, inasmuch as our reasons for coming to this decision are due to circumstances which have arisen in the present year—that is, the year after that dealt with in the report before you—I am compelled to travel outside the period of that report in order to explain to you why we have come to this conclusion.

Briefly, then, let me say that in the present year we have been faced with an organised attempt to compete for our traffic, which has left us no alternative but to fight to hold our own and prevent ourselves from being driven out of the business which we have built up at such great cost and by so many years of hard work. It was a veritable fight for existence, and not of our seeking. But it was forced on us, and, that being the case, Mr. Dickeson has faced the situation with energy and resource. The war, although costly to both sides, and telling on the revenue of the company by reason of the cut rates, which are an invariable feature of these fights has resulted in this company maintaining and, I trust I may go so far as to say, even strengthening its position. But a situation has been created which will prove of the greatest permanent advantage to the enterprise, but in which it is of the utmost importance to the future interests of this company that its cash resources should be maintained at the highest possible level. This situation is of a character that, having regard to negotiations which are now pending in the way of its development it is most inexpedient that I should, at present, further explain it, and I must ask your forbearance to excuse me from now giving details and your trust in your board that they are doing what, with the knowledge they possess, they believe to be in your best interest. All I would say is that we have reason to hope these negotiations may prove to be successful, and if they turn out as we trust they may do, I believe, and I am fortified by the opinion of Mr. Dickeson, the position of the White Pass Co. will be stronger than it has been at any time in its history, and we may look forward with reasonable grounds of assurance to a future of prosperity for the company, and to very much more satisfactory results than those we have experienced in recent years of struggle with aggressive competition and declining traffics.

The report and accounts having been adopted, E. Hanson, of Montreal, and E. F. North, of London, Eng., were re-elected directors.

O. L. Dickeson, of Vancouver, President of the local companies then said.

Last year I dealt at some length with the general conditions of the country, giving my impressions of the situation, and I will refrain, therefore, from again referring to the general conditions, except to say that the ideas expressed at that time remain unchanged, and quite briefly to touch upon interesting new developments. In the Atlin district the gold output increased as compared with the previous year, and additional investments in the improvement of properties in that district have been made throughout the summer, which should ensure further increase in the output next year. An important gold quartz property in the vicinity of Atlin has been opened up, and it holds promise of developing into a permanent paying property. The successful operation of this property would mean renewed interest in the prospecting for the development of other quartz prospects in that district. While the final figures are not available I am informed that the gold output in the Klondyke region increased this year, and a large additional undertaking for the operation of an area of placer ground has been financed and activities on a new and large scale should begin in the Klondyke region following the opening of navigation next year. In the Fairbanks district the production of placer gold decreased, roughly, from $5,000,000 in 1912 to about $4,000,000 in 1913, due to a lack of water. Considerable development and prospecting for gold quartz was carried on. The gold quartz industry in the Fairbanks district is very promising, but has not as yet reached the stage where it has created much traffic. Considerable prospecting was done on the streams tributary to the Yukon River. An entirely new and what promises to be an important discovery of gold was made at Shushanna in May, 1913. The new diggings are located in the White River mining district in Alaska, just across the boundary line from the Yukon territory, or approximately ten minutes north of latitude 62, longitude 142. From the time of discovery in May until September, when prospecting was practically abandoned owing to the lack of food supplies and to winter setting in, roughly $30,000 was taken out of the discovery claim by a few men with the hand sluicing method. It was only late in July when this discovery was made public in Dawson, and intense interest was immediately manifested, and a stampede was made from all directions, with the result that several hundred people reached the diggings, but only in time to stake claims and return for additional supplies before the severe winter weather. In view of these conditions, very little prospecting was possible in the Shushanna district this year. Those who staked claims, however, are returning with supplies and are building cabins, etc., preparatory to prospecting their claims for gold as soon as spring opens.

While this discovery is approximately 320 miles from our line in the interior it is contiguous to our property by reason of our route being the easiest and safest for travel. And in order to assist in the development of this region and to lessen the burdens of the prospector, we have inaugurated a new service, placing in operation a winter trail direct from White Horse to Shushanna for the transportation of passengers and supplies. During the summer the Shushanna district is much easier of access than in winter, as our light draft steamers operating up the White River (tributary to the Yukon) land passengers and deliver supplies at a new town called Donjek, within about 90 miles of the discovery. From this