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THE

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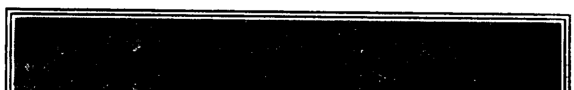
G.T.R. Semi-Annual Meeting.

The full report of the proceedings at the half-yearly meeting of the shareholders of the G.T.R., held April 13, in London, Eng., has been received.

The President, Sir C. Rivers Wilson, in moving the adoption of the report and balance sheet, and the declaration of the dividends recommended, referred at the outset to the loss by death of Jos. Price, Vice-President, a most devoted and useful friend to the company. Mr. Price had been associated directly or indirectly with the G.T.R. for many years. During nine years he had been Vice-President, and during that period he rendered many services to the company. The affairs of the company occupied a large portion of his time and attention, and formed, indeed, one of the chief interests of his life. Shareholders would associate themselves with the deep regret which the directors felt at the loss of so valued and so esteemed a colleague.

In referring to the accounts for the past half-year, the President said that the falling off in gross receipts had been slightly more than counterbalanced by a reduction in working expenses. The decrease in gross receipts was £8,654, or a trifle more than ¼ of 1%. The increase in passenger receipts was due to some extent to the special traffic in connection with the St. Louis Exhibition, but principally to the increase in local traffic. The freight receipts showed a decrease of £65,810, owing principally to the practical failure of the wheat harvest in the Northwestern States, which not only left no wheat for export, but was insufficient for their own requirements, wheat having to be imported into the United States from the Canadian Northwest in order to keep the mills going, which also reduced the amount of Canadian wheat for export. The through traffic showed a decrease of 331,157 tons, but there was an increase of 635,831 tons of local traffic. Of the total freight carried the local traffic amounted to 5,689,116 tons, or 81% of the whole, against 5,053,281 tons, or 75% of the whole in 1903, the proportion of through tonnage falling from 25% in 1903 to 19% in 1904. The average rate received per ton showed a decrease of 5¼d., from 5s. 10¼d. in 1903 to 5s. 5d. in 1904, but this was attributable to the shorter average distance each ton of freight was carried, owing to the larger proportion of the traffic being local during the last half-year than in 1903, the average distance being 188.72 miles in 1904, compared with 208.76 miles in 1903. This preponderance of short distance traffic, which is carried at a slightly higher rate than the through traffic, has had the effect of increasing the receipts per ton per mile, which were 70-100ths of a cent compared with, 68-100ths of a cent in 1903, but this additional rate was counterbalanced by the increased cost in handling this description of traffic compared with the through traffic, which, of course, comes to the company in full car and train loads, and is hauled much longer distances. The expenditure under the head of maintenance of ways and structures showed an increase of £23,358, which was due to the carrying forward to the second half-year's accounts of a larger proportion of expenditure than was usual. Comparing, however, the expenditure on this account for the whole year it was £8,080 less than in 1903. One item called for special reference, viz., the expenditure on ties, which showed an increase of £30,698. This was caused by the fact that in 1903 the company was unable to secure delivery of the requisite quantity, thereby reducing the charge for that year, and consequently increasing the amount of work to be done during 1904, when an adequate supply of ties could be obtained. Dealing with the principal items of expenditure, he said there had been an advance of £11,842 in taxes paid during the half-year. For a number of years taxes had been gradually rising in amount, but not to any unreasonable extent. Last year, however, the Ontario Legislature passed an act increasing the taxation of railways from $5 to $30 a mile single track, and $10 for each additional track. The increased amount of taxes shown in the accounts was entirely due to this legislation, which pressed very hardly on this company, seeing that practically 5-6ths of the total mileage of the double-track of the G.T.R. was in Ontario.



CECIL B. SMITH, M.CAN.SOC.C.E.
Chairman of the Timiskaming & Northern Ontario Ry. Commission.

It appeared, from recent advices, that there was a movement in the direction of still further increasing this very heavy taxation next year. The board would take all the steps open to them to resist what they could not but regard as an exceedingly unjust burden, particularly in view of the services which this company rendered to the Province.

Including the sum brought forward, the amount available for distribution was £436,466, out of which it was proposed to pay the authorised dividend for the past half-year on the guaranteed stock and 5% for the whole year on the first preference and second preference stocks, leaving £6,618 to be carried forward. He wished to make it clear why, on that occasion, the board were not able to recommend any distribution to the third preference stockholders. It was true that the net surplus revenue for the past six months exceeded that for the corresponding period of 1903 by £32,310, but they must not forget that the earnings for the first half of 1904 were £130,000 less than for the first half of 1903. The first six months of 1903 was an extremely prosperous period, and the working of the railway resulted in their being able to pay, not only the interest on the guaranteed stock, but also the full half-year's dividends on the first and second preference stocks, and the second half of that year they were enabled to pay, not only the remaining dividends on the first and second preference stocks, but also 2% on the third preference stock. In 1904 the earnings of the first six months only sufficed for the payment of interest on the guaranteed stock, thus throwing the whole of the burden of the entire year's dividends on the first and second preference stocks on to the earnings of the second six months, leaving, therefore, no margin for any distribution on the third preference stock. It was satisfactory to observe that the gross earnings for the first three months of the present year showed an increase of nearly £250,000 over those for the corresponding quarter of 1904, although

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