

for the expected large movement towards the Yukon (Klondyke) country ; but, unfortunately, the steamers could not be got ready in time to take full advantage of such trade as there was ; it is however expected that the present season will afford them profitable employment.

16. The Company's hotel at Quebec—the Chateau Frontenac—has been most successful, and a large addition was made to it last year to meet the requirements of the travel it had so largely stimulated. It has not only become profitable in itself, but has from its beginning added materially to your passenger earnings.

17. A final agreement for the sale of the Aylmer Branch (between Hull and Aylmer, 7.5 miles), for \$100,000 has been entered into, subject to your approval.

18. During the year \$919,000 of the 4 per cent. Consolidated Mortgage Bonds of the Minneapolis, St. Paul and Sault Ste. Marie Railway ; \$717,500 of the 5 per cent. First Mortgage Bonds of the Montreal and Ottawa Railway, and £120,000 of the 4 per cent. First Mortgage Bonds of the Columbia and Kootenay Railway, in respect of interest upon all of which your Company is liable as guarantor, were purchased with the proceeds of £412,191 four per cent. Consolidated Debenture Stock, your Company thereby effecting a considerable annual saving.

19. During the year £2,285,000 of 4 per cent. Preference Stock was created and sold, and the proceeds have been applied to the purchase of the Alberta Railway, to the completion of the Crow's Nest Pass Line, and towards the expenditures for additions, improvements and equipment, already authorized by the Shareholders.

20. The purchase price of the Columbia and Western Railway, the amount expended on its extension from