

its bonds held by your Co. \$122,500, in excess of the previous year.

The growth of your Co.'s business requires an enlargement of the facilities at Winnipeg that cannot longer be delayed. In connection with a new passenger station it is proposed to provide hotel accommodation for the travelling public. During the past year nearly all of the land necessary for these improvements was acquired, but it is estimated that the buildings & other works will require an expenditure of \$750,000, within the next two years. The addition to Windsor St. station, Montreal, commenced during the past year, was delayed because of the difficulty in getting building material, so that the greater part of the work had to be carried over. You will be asked to authorize expenditure during the current year at Montreal & Winnipeg in connection with these works to the extent of \$750,000; also expenditures for permanent wharves & other terminal works at Vancouver, \$98,817; for improvements to permanent way, \$978,744; for increased yard & other facilities at various points on the system, \$461,928, & for additional rolling stock, \$975,000.

You will be asked to approve a lease by your Co. of the Manitoba & North-Western Ry. Co.'s main line & branches, 253 miles in all, & a lease of the Great North-West Central Ry., extending from your main line near Brandon, Man., north-westerly for 50 miles, with an extension of 20 miles now in course of construction. Both of these lines are important contributors of traffic to your system, & therefore, you could not afford to have them fall into other hands. The terms of the proposed leases, which your directors consider quite advantageous to your Co., are set out in the resolutions that will be submitted for your approval.

The governments, to whom your Co. must, in accordance with law, make full reports of its annual business, require those reports to be made to June 30 each year, & most of the important railway companies on this continent close their fiscal year at the same time; therefore, for the sake of convenience in the preparation of reports, & to simplify the comparison of your operations with those of other large railway systems similarly situated, & for the further advantage of having your largest net revenue result from the earnings of the 1st half rather than the 2nd half of the fiscal year, your directors are of opinion that the annual report & the accounts relating to the operations of your Co. should hereafter be made up to June 30, instead of December 31, & the date of the annual meeting be changed from the 1st Wednesday in April to the 1st Wednesday in Oct. each year. You will be asked to approve a by-law making this arrangement effective. A statement will be issued in Oct. next of the accounts to June 30, 1900, & thereafter the accounts will be submitted at the annual meeting in Oct., covering the fiscal year ending June 30 in the usual way.

The land sales for the past year were 416,806 acres, for \$1,327,667, against 348,608 acres, for \$1,121,774 in 1898.

The growth of your gross earnings from \$18,941,000 in 1895 to \$29,230,000 in 1899, notwithstanding the important reductions made during that period in the rates for the carriage of freight in the territory west of Lake Superior, is evidence of the marvellous progress & development taking place in Canada, & which from all present indications are likely to be maintained.

CONDENSED BALANCE SHEET, DEC. 31, 1899.

Cost of railway and equipment.....	\$218,407,334.21
Ocean, lake & river steamships.....	\$5,838,385.87
Less amount applied in reduction of cost as explained in report.....	1,518,224.69
Acquired securities held against debenture stock issued.....	30,650,875.01
	4,320,161.18

Other acquired securities.....	2,192,161.94
Real estate, hotels and buildings held by trustees for the Co.....	1,194,597.27
Balances due on lands sold, deferred payments.....	2,372,487.18
Balances due on town-sites, deferred payments.....	201,790.27
Advances.....	
To Montreal & Atlantic Ry. secured by \$500,000 1st mortgage bonds.....	424,144.80
To Duluth, South Shore & Atlantic Ry. car trusts, etc.....	236,213.19
Material and supplies on hand.....	2,600,035.46
Station & traffic balances & accounts receivable.....	4,409,003.17
Miscellaneous securities & advances.....	1,272,477.44
Imperial & Dominion governments, amounts due for mail transportation (since paid).....	232,746.34
Cash in hand, including amount held in trust for M., St. P. & S. S. M. Ry.....	10,904,247.38
	<u>\$279,418,274.84</u>

In addition to above assets the Co. owns 16,758,049 acres of land & will receive through the B.C. Southern Ry. about 3,350,000 acres.

Capital stock.....	\$ 65,000,000.00
Four 7/8 preference stock.....	26,791,000.00
Four 7/8 consolidated debenture stock.....	54,237,082.53
Mortgage bonds.....	
1st mortgage, bonds 5 1/2%.....	\$34,998,633.33
Canada Central mortgage, 6%.....	973,333.33
Due Province of Quebec on Q.M.O. & O. North Shore Rys., at 4 1/2%.....	7,000,000.00
Algoma Branch, 1st mortgage, 5 1/2%.....	3,650,000.00
North Shore Ry., 1st mortgage, 5%.....	616,119.67
	<u>47,238,086.33</u>

Land grant bonds, 1st mortgage, amt. of issue.....	\$25,000,000.00
Less amount redeemed or surrendered & cancelled.....	21,740,500.00
	<u>3,259,500.00</u>

3 1/2% bonds, interest guaranteed by Dominion Government.....	15,000,000.00
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Current liabilities.....	18,259,500.00
Interest on funded debt & rental of leased lines, coupons due Jan. 1, 1900, & including coupons overdue not presented.....	1,476,221.02
Accrued to date, not due.....	327,102.24
	<u>1,803,323.26</u>

Cash subsidies from Dominion & Provincial governments & municipalities.....	29,551,218.07
Land grant, net proceeds of sales of land.....	20,960,250.74
Amount held in trust for M., S. P. & S. S. M. Ry. Co.....	1,359,629.12
Surplus earnings account.....	9,614,528.32
	<u>\$279,418,274.84</u>

FIXED CHARGES 1899.

1st mortgage bonds 5 1/2%.....	\$1,749,931.66
Province of Quebec 4 1/2%.....	283,500.00
North Shore 1st mortgage 5 1/2%.....	267.66
Canada Central and mortgage 6%.....	58,400.00
1st sinking fund.....	34,066.65
St. Lawrence & Ottawa 4%.....	38,933.34
Man. S. W. Col. Ry. 1st mortgage 5%.....	127,200.00
Toronto, Grey & Bruce rental.....	120,000.00
Ontario & Quebec debentures 5%.....	975,129.56
Ontario & Quebec (ordinary) 6%.....	120,000.00
Atlantic & North West Ry. 1st mortgage, less Government proportion.....	136,333.34
Algoma branch 5%.....	182,500.00
Rental, Farnham to Brigham Jct.....	1,400.00
Rental, Mattawamkeag to Vanceboro.....	23,800.00
Rental New Brunswick Ry. System.....	372,829.74
Rental of terminals at Toronto.....	34,860.10
Rental of terminals at Hamilton.....	33,537.49
Rental Hamilton Jct. to Toronto.....	40,000.00
Rental St. Stephen & Milltown Ry.....	2,050.00
Interest on Montreal & Western Ry. purchase.....	21,409.36
Interest on equipment leases.....	67,536.63
4% debenture stock.....	
Issue for general purposes, £3,933,748.....	
Issue for China & Japan steamers.....	720,000
Issue for Souris branch.....	1,004,000
	<u>£5,657,748</u>
Issue for acquiring mortgage bonds of roads of which principal or interest	\$1,101,374.95

is guaranteed

by C.P.R.:-

1 year on £4,276,858

6 mos. on 960,000

To retire

Canada

Central

1st mort-

gage a g e

bonds,

3months

on.....

250,000

5,486,858

£11,144,606

938,168.34

2,039,543.29

Interest on land

grant bonds £666,

684.72, less interest

on deferred pay-

ments on land

sales & proceeds

of town sites not

covered by mort-

gage.....

363,237.18

333,447.54

\$6,816,676.36

CONSTRUCTION—ACQUIRED AND BRANCH LINES.

Following are the amounts spent on construction during 1899:

Souris branch—Pipestone extension.....	\$214,543 45
Snowflake branch.....	123,789 35
McGregor branch.....	37,576 08
Lac du Bonnet branch.....	12,030 86
Waskada branch.....	142,896 69
North Star branch.....	161,934 08
Lake Temiscamingue Colonization Ry.....	958 60
Survey's projected lines.....	19,111 25
Crow's Nest Pass & B. C. Southern Ry.....	1,434,979 94
	<u>\$2,147,820 30</u>

Less:—Stonewall branch extension..... Cr.	4,530 44
Total.....	<u>\$2,143,289 86</u>

EXPENDITURE ON ADDITIONS AND IMPROVEMENTS DURING 1899.

Main line, Quebec to Bonfield.....	\$123,401 81
" " Bonfield to Fort William.....	171,175 27
" " Fort William to Laggan.....	679,643 04
" " Laggan to Pacific Coast.....	654,500 76
" " Montreal terminals.....	168,000 60
Branch lines, Manitoba & B.C.....	36,386 73
Algoma branch.....	42,926 26
Telegraph extensions and additions.....	24,179 18
	<u>\$1,900,213 65</u>

EXPENDITURE ON LEASED AND ACQUIRED LINES DURING 1899.

Ontario & Quebec Ry. \$447,265.59, less sales & real estate, Montreal & Toronto.....	\$404,038 83
Atlantic & N. W. Ry.....	103,050 22
Montreal & Western Ry.....	11,532 13
Manitoba S. W. Col. Ry.....	29,969 72
New Brunswick Ry.....	126,551 45
Columbia & Kootenay Ry.....	7,961 52
	<u>\$683,103 87</u>

RECEIPTS AND EXPENDITURES 1899.

RECEIPTS.

Cash in hand, Dec. 31, 1898.....	\$4,147,228 80
Surplus revenue, as per statement.....	6,563,687 70
Land Department.....	
Net proceeds of sales.....	\$1,203,698 02
Less amounts remaining in deferred payments.....	1,044,410 76
	<u>159,287 26</u>
Collection of deferred payments of previous years on lands & town sites.....	241,320 99
	<u>400,608 25</u>

Bonuses.....	
Dominion Government, subsidy on Crow's Nest Pass extension.....	\$340,060 00
Provincial Government, subsidy on Stonewall & Souris Branch extensions.....	59,780 00
Town of Calgary, improvements at that place.....	25,000 00
	<u>424,840 00</u>

Sale of Aylmer Branch.....	100,000 00
B. C. lake & river steamships—sale of steamboat, less amounts expended in completion of additional steamboats.....	1,620 95
Received from M. S. P. & S. S. M. Ry. Co. in payment of advances on car trusts, etc.....	467,817 89
Advances repaid by Columbia & Western Ry. from proceeds of bonds.....	2,320,470 16
M. S. P. & S. S. M. Ry., income certificates paid.....	270,000 00
Consolidated Debenture stock.....	
Amount realized from issue of £1,268,880 for acquiring guaranteed securities & for paying balance due on Canada Central Ry. 1st mortgage bonds.....	6,662,028 18
Four per cent. preference stock.....	
Realized from issue of £1,200,000 sold to meet capital expenditure.....	5,502,566 15