

Quesnelle & Dawson City of 1,300 miles. I would recommend that a connection be made between the new port of Skagway at or near Atlin Lake, an additional length of about 100 miles. I consider that such a telegraph line can be quickly & substantially constructed without exceptional difficulties, provided that the work be commenced simultaneously at various points along the route by an adequate staff of skilled Canadian workmen. The peculiar geographical configuration of the country & the many streams which directly cross the line of operation will permit of the prompt delivery over the ice of the necessary materials & supplies for the construction parties. The upper portion of the line is also readily accessible by the many rivers & trails leading to the different mining camps of the thousands of miners at work this winter between Telegraph Creek & Dawson City. This latter fact is of importance in connection with transport & labour, as both men & transport animals will be obtainable at numerous points where most urgently required.

"The necessity of telegraphic communication between the Klondike & the Canadian system very naturally occurred to me during my recent expedition to that country. During my journey from Skagway via the White Pass & the Yukon River, I was satisfied from observation that a telegraph line could be rapidly constructed either in winter or summer, which could be cheaply maintained & readily repaired. The coast of B. C. & the Klondike district are noticeable for the entire absence of storms. Repairs & breakdowns should therefore be very infrequent. The route of this line of telegraph is unique in my experience, as its whole length of 1,300 miles is on the rich Western mineral belt that is now commencing to attract attention, & which promises to be as great a field for mining investment as the Transvaal or Western Australia. In addition, therefore, to the business which will arise by connecting Dawson City with the world's telegraph system, the discovery & development of numerous mining camps along the route will be a source of constantly increasing returns & profits to your Company. The population of Dawson & the immediate vicinity is now from 25,000 to 30,000. The population of the mining camps along the route of the proposed telegraph line is rapidly increasing. The entire route even far beyond Dawson City is covered with timber, consequently an inexhaustible supply of suitable poles is at hand, & I may here also mention that the difficulty of securing suitable operators & line men which so often occurs in remote countries need not be anticipated, as amongst the numerous miners who have flocked into the country there will be found many hundreds of experienced telegraph men.

"With regard to an estimate of possible business, or the amount of income that may be safely anticipated, it is evident that, as telegraphic communication is a necessity, almost any price might be asked & would be cheerfully paid, as, per example, the 9s a word from the Transvaal. During my stay in Dawson City last Aug., telephone messages to Eldorado City, a distance of 15 miles, cost 4s a minute, with a minimum charge of 20s! With a reasonable charge per word, of say 5s, I am confident that a large & immensely profitable business can be done. The permanent nature of the gold deposits of the Klondike & other districts has now been established from many reliable sources, not the least being the fact of an output of £3,000,000 for last season. Immense quantities of supplies have been forwarded into the country this year, & next year will see the employment of large quantities of machinery & large hydraulic operations. The heavy investments of European & American capital is ample security for the construction of a telegraph line, more especially in a country where the changes of seasons are sudden &

severe. I would therefore suggest that your Co. lose no time in commencing the building of the line, & if work is promptly commenced & vigorously carried on during the present winter, it should be in working operation by the end of April next. From my knowledge of B. C. & of Klondike & their wonderful mineral resources, I am convinced that a telegraph line will prove one of the most profitable industrial enterprises that have been proposed in connection with these new mining countries."

Government Line to the Yukon.

In our Nov. issue we gave currency to a rumor from Ottawa that at the next session of Parliament the Minister of Public Works will ask for an appropriation to build a telegraph line to the Yukon via the Ashcroft-Cariboo route. The Government now has a line from Ashcroft, on the C.P.R., to Barkerville, 276 miles. This line, which was built as far as Quesnelle in the Cariboo country in 1865, will be found fully described in our issue of Aug., '98, pg. 167. Early this month a Victoria, B.C., telegram stated that a telegraph line & wagon road from the end of the present Ashcroft-Cariboo line & road to the Yukon, had been decided on, & that the whole work would involve an expenditure of \$5,000,000. Since then the rumor as to the building of a Government telegraph line has been revived at Ottawa, & it is said the Government has obtained an estimate of the cost of construction, & it is said a rate of \$2 for a 10-word message is talked of. This is in marked contrast to the proposed rate of the Canadian British Columbian & Dawson City Telegraph Co., already referred to in this issue.

Suit Against the G.N.W.T. Co.

Proceedings have been commenced in the High Court of Justice of Ontario to set aside the agreement made in 1881 under which the lines of the Montreal Telegraph Co. were leased to the G.N.W. Telegraph Co., & to restrain the parties thereto, the Montreal, the G.N.W. & the Western Union Telegraph Companies & H. P. Dwight, the President of the G.N.W., from acting under the agreement. The plaintiffs are H. M. Morrow, accountant, & W. A. Clark, banker, of Boston. Morrow claims to be a holder of 750 shares of G.N.W. stock & Clark claims to hold 250 shares pledged to him by Morrow to secure indebtedness. In connection with this suit it may be interesting to look back for a few years. In 1879, the Dominion Telegraph Co. leased all its lines in Canada to the American Union Telegraph Co. for 99 years, & in 1880 the latter Co. assigned the lease to the Western Union. In 1881 the Montreal Co. leased its lines, &c., to the G.N.W.T. Co. for 97 years for \$16,000 a year, which provides a dividend of 8% on the Montreal Co.'s capital of \$2,000,000. The W.U. was a party to this agreement, guaranteeing the payment of the \$165,000 a year & also the performance by the G.N.W. of the other covenants. The W.U. then sublet the Dominion Co.'s lines in Ontario & Quebec to the G.N.W. Co. for \$60,000 a year. The capital of the G.N.W. is \$500,000. Plaintiffs allege that \$255,000 of this is owned by the W.U. Co., but that it stands in the name of H. P. Dwight, & that the W.U. Co. nominates the directors, &c., of the G.N.W. Co. & controls its operations, &c., that the W.U., having no power to give the guarantee above referred to, is at liberty to withdraw it at any time, that the operation of the Montreal and Dominion lines & lines built by the G.N.W. Co. has resulted in loss, which the W.U. has had to make up to maintain the payments to the Montreal Co., & that should the W.U. refuse to continue making up the deficits the Montreal Co. will terminate its

agreement, taking possession of its lines & of the additions & improvements made thereto by the G.N.W. Co. The plaintiffs claim that the agreement of Aug., 1881, is void because it is an attempt by a foreign corporation to exercise the powers, &c., of the G.N.W. Co. in the interests of the W.U., that the agreement was not made in the interest of the G.N.W. Co., that it was a surrender of the property of the G.N.W. Co. & is a delegation of that Co.'s franchises and powers to the Montreal Co. & a misuse of statutory powers, &c.

The motive for the action above referred to is in doubt. A Montreal telegram, stating that it is "an attempt by the W. U. to gobble up the G. N. W." is absurd. It looks very much like a stock jobbing operation. Before the papers were served on the defendants copies of them were in the hands of Montreal brokers & were undoubtedly used for the purpose of depressing the Montreal Co.'s stock. We are informed, on the highest authority, that there is no truth in the allegation that the W. U. Co. has had to come to the rescue of the G.N.W. Co. financially & that the latter Co. has done its own financing right along without calling on the W. U. for any payment under the latter's guarantee. At one time the G. N. W. Co. paid handsome dividends, but latterly, owing largely to competition, it has not been able to do more than pay its rentals.

Montreal Telegraph Company.

At the annual meeting in Montreal Jan. 12, the report showed assets \$2,268,143.52; liabilities \$2,041,974.74, an excess over shareholders' capital of \$151,823.85, leaving a contingent fund of \$74,371.93. During the year 4 quarterly dividends aggregating 8% were paid. The rental of 8% per year, amounting to \$160,000, had been paid quarterly by the G. N. W. Telegraph Co. The following were elected: President, A. Allan; other directors, H. Mackenzie, J. Joseph, W. Wainwright, H. Archibald, H. A. Allan, W. M. Marler.

In answer to a question the President said with reference to a suit undertaken by H. M. Morrow, & one Clark, to upset the lease, "the complaint of Morrow was in the hands of one or two stockholders & shown by them around the street & on the Stock Exchange, before any service was made upon the Co. So far as we know the copy served upon the Co. may have been served by a broker's clerk. Its contents are utter rubbish, & clearly got up for the purpose of affecting the price of the stock. We understand that Morrow is not a bona fide shareholder of the G. N. W. Co., against which the action is taken. He was Erastus Wiman's stenographer at the time Wiman was obliged to retire from the firm of R. G. Dun & Co. The action, if it can be termed such, is against the G. N. W. Co., & we are, with the Western Union, brought into the case incidentally. We do not know who Clark is, he may be a pawnbroker. Under the agreement the legal position of the Co. is unassailable. The guarantee of the W. U. is beyond question, & the security of the Co. is ample in every respect. In fact, the stock of this Co. should rank among the highest class in the market. As to the legality of the W. U. guarantee, the opinion of E. P. Wheeler, of New York, is on the table with the clauses in the agreement binding that Co.

"As to any deficit in the workings of the lines of the company by the G. N. W. T. Co., it must not be forgotten that the G. N. W. operates other lines of telegraph besides ours. The G. N. W. does not furnish us with the results of the operations of the lines, nor is it under any obligation to do so. Should there be any deficit, it does not concern this Co. or its shareholders. We are convinced, however, the working of the lines of this Co.