

Annual Meeting of B. C. Electric Railway

The annual meeting of the shareholders of the British Columbia Electric Railway Company Limited was held in London on December 22nd, 1916. The address of the chairman of the board of directors is in part as follows:

We exceedingly regret that this meeting has not been held at an earlier and more convenient date, but it has been quite impossible to issue the accounts sooner, and the fact that they are ready now reflects great credit upon our Secretary, who is the sole male employee left in the London Office.

I do not think there is a great deal to say to you about the position and prospects of the Company.

The report itself tells you almost all there is to be said on the subject, but there are one or two matters about which you may expect me to give some further explanation.

The total gross income of the Company for the year under review, namely, the year ended June 30th last, was only £258,000 as compared with £370,000 in the preceding year, and £560,000 for the year ended June 30th, 1914—a decrease in the two years since the outbreak of war of considerably more than 50 per cent. This unfortunate state of affairs has been due mainly to two causes, namely, a reduction amounting to some 30 per cent. in the population of the districts we serve, owing to or consequent upon the extraordinary proportion of the manhood of the province who have voluntarily enlisted in the Army of the Empire. And secondly, to the continuance of the unfair competition of what are called jitney cars. These are privately owned motor cars which ply for hire at ordinary tram fares in opposition to the Company's cars. We must all feel a grim satisfaction and pride in the first-named cause of our misfortunes, and moreover it is a trouble that we can safely trust to right itself after the war. A loss or gain of 30 per cent. in the population served means the loss or gain of a great deal more than 30 per cent. in the profits of a company such as ours, because there is a certain minimum population necessary to produce the minimum earnings required to meet the fixed and irreducible expense of maintaining the services. It is, therefore, reasonable to look for an increase in profits on the return of the troops almost as rapid as the decrease has been. I do not mean to say that we shall get back all at once to the dividend we formerly received on the Deferred Ordinary Stock, but I do think that we shall again receive a moderate return to the money invested in that stock within a year or two of the end of the war. Meanwhile, we have maintained most efficient services for the convenience of the public and the great advantage of the cities and districts served, and should be able to continue to do so were it not for the piratical competition of the jitney cars. As stated in the report, although since 1st January this competition has been less acute than in the previous year, these cars are still depriving the Company of earnings amounting to approximately \$350,000 a year. This Company has deserved well of the people of British Columbia, and was entitled to expect not only fair treatment, but every encouragement, and in this matter they certainly have not received it.

Every effort has been made to obtain fair treatment by securing that the jitneys shall be subject to similar control of service, accommodation and construction of cars, and other matters as is imposed upon the Company, and that they shall contribute to municipal revenue and expenses in some fair proportion to the contribution of this Company, but it has as yet been impossible to convince the authorities and the public of the folly of maintaining by preferential treatment, to the detriment of a great enterprise which has done in the past and can do in the future so much for the province, a service which is merely a convenience to a cer-

tain section of the public, and can do nothing to advance permanently the general welfare by the expenditure of capital, the employment of labour, or the encouragement of industries.

Very little capital expenditure has been incurred during the past year, and none which was not immediately remunerative or which was not necessary in order to comply with franchises or agreements previously entered into. From the nature of the services supplied and the conditions under which we have acquired the right to supply them, it is impossible for the Company ever to close its capital account entirely.

Throughout the year the most strenuous efforts were made by the Management to enforce every possible economy, and with a large measure of success, but we are now called upon to face a large increase in the cost of labour.

There has been for some time past a great deal of trouble in connection with labor throughout the American continent and British Columbia has not escaped. The shortage of men and the increase in prices of commodities created a difficult situation. These conditions seriously affected the employees of the Company, and although the agreement with them still had a few months to run, it was recently decided to grant an immediate increase of wages. This concession involves an increase in working expenses of considerably more than \$100,000 per annum, and is to remain in force until June 30th, 1918.

A more agreeable side of the situation is the fact that during the four months of the current year, for which we have the figures, there is an increase in net earnings over the same period last year of well over £30,000. As a matter of fact, this improvement commenced in February, and although varying in amount has been continuous month by month up to and including October, which is the last return we have received.

We think there are grounds to hope that this increase in earnings may continue on a sufficiently large scale to enable us this year to meet the dividend on the 5 per cent. Cumulative Preference Stock without having recourse to the Reserve Fund, and with perhaps a small surplus.

In estimating the prospects of the Company, one has largely to be guided by the general outlook in British Columbia. From its geographical position, British Columbia has experienced a more severe set-back from the war and less benefit from war trade than any other province of Canada, the mining industry alone having derived substantial benefit, whilst such important industries as the shipping trade and the lumber trade have been practically paralysed. There can be no doubt, however, that during the last six months these trades and commercial and industrial conditions generally have been steadily improving.

Much attention is being given to the development of the mining industry, and the mines have experienced a great demand for their products for munition purposes. The Provincial Government are assisting the development of the shipbuilding industry, and there seems no reason why Vancouver and Victoria should not successfully rival Seattle and San Francisco in shipbuilding.

There is an increasing export trade with Russia and the East, particularly in munitions, railway materials, etc., and it is believed that after the war the exchange of commodities with Russia across the Pacific will be permanently established.

I think that undoubtedly the worst times were experienced towards the end of last year, and that from now on we shall see continued improvement.