

White Pass and Yukon Railway Co's. Annual Report, Etc.

Following are extracts from the directors' report for the year ended June 30, 1912, presented at the annual meeting in London, Eng., recently. The accounts include the results of the operations of the local companies, all of whose capital is owned by the W.P. and Y.R. Co., for their financial year, which ended Dec. 31, 1911:—

The profit and loss account, after providing for interest on debenture stock and debentures and all charges, shows a net profit for the year of £25,840 19s. 9d. Adding to this £9,249 8s. 5d. carried forward from the preceding year, there is a balance at credit of profit and loss of £35,090 8s. 2d. Out of this the full sinking fund instalment of £16,586 for the 5% consolidated debenture stock, and the instalment of £2,156 3s. 10d. for the sinking fund for the branch line bonds due in 1912 have been provided by the purchase of £18,742 of 5% consolidated debenture stock at a cost of £17,965 17s. 10d. The directors recommend that a dividend of 2s. per share be declared, payable Jan. 15, 1913, making 1% for the year. This will absorb £13,750, and there will remain £3,374 6s. 6d. to be carried forward to 1913.

The directors are glad to report that in March last the Canadian Board of Railway Commissioners rescinded the order to reduce the rates charged on the White Pass and Yukon Route, to which reference was made in the report last year.

Following is the profit and loss account:—

	£	s.	d.
Interest on securities of local companies paid and accrued to date.	52,944	9	0
Dividends on shares of local companies to Dec. 31, 1911.....	34,142	4	4
Transfer fees, etc.	44	10	0
	£87,131	3	4
	£	s.	d.
Interest on 5% consolidated first mortgage debenture stock	37,335	2	0
Interest on 6% mortgage debentures (navigation bonds).....	15,330	0	0
Directors' and trustees' fees	2,210	0	0
Management and London charges...	2,798	3	3
Legal expenses and stamps	1,502	19	3
Audit fee to June 30, 1911.....	78	15	0
Income tax	1,543	19	10
Loss in exchange	491	4	3
Profit carried to balance sheet	25,840	19	9
	£87,131	3	4

Following are extracts from the report of the President of the local companies, O. L. Dickeson:—

RAIL DIVISION.—On this division we carried 10,441 passengers and 20,028 tons of revenue freight. The average haul was 71.93 miles per passenger, and 98.63 per ton of freight, and the average load per car was 9.15 tons. All necessary maintenance and general repair work for safe and efficient operation and general upkeep of the property was done. The south 192 ft. of bridge 5C was filled, 6,090 cubic yards of material being used to complete this work. 434 cubic yards of material was used to fill the station grounds surrounding the Broadway station in Skagway to facilitate the handling of mail and baggage and to afford adequate space for the handling of passengers. Ballasting was done between White Pass and White Horse with gravel hauled from pits at Watson and mile post 102. On section I considerable ballast work was also carried on to lessen the expense of the permanent upkeep. 7,942 new ties were laid in main line track, using the supply of ties on hand, which had been transported from the Puget Sound territory, to replace a considerable number of ties of native timber placed in the roadway during the construction days. This replacement of ties demonstrated conclusively that the life of native timber ties was at

least 13 years without having gone through the modern process of creosoting to prolong their usefulness, and serves to illustrate that our expenses in the future in this direction may be materially decreased. A new drill grinder was installed at Skagway shops. The necessary general repairs to rolling stock were made, placing the equipment in first-class condition. The operating expenses of the division show a decrease of \$67,127.70 compared with 1910.

The portion of the President's report dealing with the River division appears in the Marine Department of this issue on another page.

THE WINTER SERVICE for mail, passengers, parcels, etc., was carried on without unusual interruption by means of horse sleighs and four and six horse coaches, and a few trips completed by canoe and launch, which made 145 trips during 1911, equivalent to 47,850 miles, carrying 79,555 lbs. of mail, 543 passengers, 18,637 lbs. of parcels and 381,386 lbs. of ordinary freight. A saving of \$1,514.71 in operating expenses was effected as compared with 1910. During the year some experimental work has been carried on in an effort to operate a portion of the trail with gasoline equipment with considerable success, and it is confidently expected that we will make further progress in this direction during the coming year.

GENERAL REMARKS.—About June 1 a complete reorganization of the company's local operating forces was undertaken on the Rail and River divisions and Mail Service department, and the most modern methods of efficiency in operation were applied in each department, bringing about a general consolidation of offices and work in various positions, with the result that by the end of the year this had resulted in the saving of \$146,637.13 in the operation of the three divisions, without in any way impairing the efficiency of the service or interfering with the general upkeep of the property. It may be encouraging to know in advance that the reorganization thus made will be permanent and throughout the ensuing year will show further decreases.

The history of every mining country has been that a large number of prospectors came into the country seeking bonanzas, and when once their claims were developed they were usually consolidated and absorbed by larger companies to be operated by machinery, displacing men. Following this there are usually found a number of unsuccessful and somewhat visionary schemes of promotion, which have a tendency to retard capital into legitimate mining enterprise. The Yukon Territory has been no exception to these conditions, which have also had a tendency to decrease traffic. The country, however, is highly mineralized, and gold, silver, copper, lead, magnesite, coal and other minerals are to be found throughout the region contiguous to our transportation system, and there remain today splendid opportunities for legitimate investments in mining enterprise when conducted with efficient modern business methods. In the interest of creating traffic for the railway the company will undertake to conduct a detailed and intelligent investigation of the known natural resources with a view of interesting new industry in the country. With the progress of the investigation it is confidently believed that the result of these efforts will be eventually reflected in the railway earnings.

Alaska and Yukon Territory, as summer tourist resorts, have few equals, and as this becomes generally known increased earnings will accrue from this source. The

company is taking steps to create additional tourist traffic.

PRESIDENT'S ADDRESS.—Mr. Dickeson, in speaking at the annual meeting, said:—Beginning with June, 1911, which was the time I first reached the company's property, a complete reorganization of the methods of operating was undertaken in practically every department, eliminating work that was considered unnecessary and consolidating offices and various positions in individual offices, with the result that within three weeks from the time this reorganization work started we were able with equal efficiency to conduct the company's affairs and look after the interests of the public in respect of prompt and reasonable service with 291 fewer employees on the pay rolls than during the corresponding period of the previous year. Within 15 months from the time this reorganization work began a saving of \$229,000 had been made in the operating expenses. This was effected without interfering with the standard of wages paid. On the contrary, when the work of one position was eliminated entirely the duties of the position were added to the duties of another employee. In many such instances the wages of the employee were increased, with the result that those remaining in the service were better satisfied with the conditions of employment. While the main work of the reorganization has been effected, and it will not be possible during the ensuing year again to show so large a comparative decrease in the operating expenses, it would be idle to say that we had reached the limit of economies, for improvements in the operation of the property are still going on, and I am quite willing to assume the responsibility of saying that, with the new methods employed, the operating expenses will be very materially less than in previous years without impairing the general upkeep of the property or the efficiency of the service. For many reasons, quite beyond control, the company's traffic during 1911 was considerably less than in any previous year, but regardless of this I felt fully justified last year in telling you that I was able to take a hopefully confident view of the future, and now, after another season's experience, I am pleased indeed to say that the views then expressed have been confirmed. We shall be able to show that during 1912 there has been an increase in both freight and passenger traffic, and a very material increase in the net earnings as compared with 1911. Our net increase over and above everything—operating expenses and everything but depreciation—is \$96,000 down to October 31. Looking forward to 1913 I think I am justified in saying that there is every indication of a further gradual increase in the traffic. I feel that we are warranted in this prediction owing to the development work started this year and the constantly increasing interest in the country as a tourist resort.

Railway Lands Patented.—Letters patent were issued during January in respect of Dominion railway lands in Manitoba, Saskatchewan, Alberta and British Columbia, as follows:

	Acres.
Calgary and Edmonton Ry.	1,623.00
Canadian Northern Ry.	1,116.00
Canadian Pacific Ry.	79.75
Qu'Appelle, Long Lake and Saskatchewan Rd. and Steamboat Co.	3,359.00
Total	6,177.76

A General Storekeeper's Approval.—N. P. Tracy, General Storekeeper, Canadian Northern Quebec Ry. and Quebec and Lake St. John Ry., Limoulu, Que., writes: "I find Canadian Railway and Marine World exceedingly interesting and instructive."