

THE RAILWAY & SHIPPING WORLD.

AN ILLUSTRATED PERIODICAL DEVOTED TO STEAM & ELECTRIC RAILWAY, SHIPPING, EXPRESS, TELEGRAPH & TELEPHONE INTERESTS.

The Official Organ of
The Canadian Freight Association.
The Canadian Roadmasters' Association.

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TORONTO, CANADA, DECEMBER, 1898.

TO ADVERTISERS.

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NEXT ANNUAL MEETING at Toronto, Sep. 20, 1899.

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NEXT ANNUAL MEETING at Winnipeg, Oct. 13, 1899.

acres at the same rate an acre, the right to be exercised on or before July 1, 1901. The Irrigation Co. has commenced operations, & it is anticipated that before the end of 1900 a large area of land will be irrigated & capable of raising good crops. The directors are of opinion that the Alberta Co.'s business should be considerably benefited by the work of the Irrigation Co., whose object it is to effect not only the irrigation but the colonization of the lands. It seems clear that with the successful irrigation & settlement of the lands sold to the Irrigation Co., the remaining lands be-

longing to the Alberta Co. & to the Lethbridge Land Co. should become more valuable & saleable, & the coal sales & traffic of the railway should be increased.

The revenue account for the year ended June 30, 1898, is summarized as follows:

By balance on following accounts.	£	s.	d.
Railway & colliery.....	21,409	4	0
House rents & water privileges.....	352	16	8

£21,762 0 8

To general expenses in Canada.....	£	s.	d.
" expenditure in London.....	3,696	10	10
" expense sale old rails & rolling stock & repairs to old rolling stock.....	1,183	13	10
" legal & other expenses re transfer to C.P.R. Co. of Lethbridge-Dunmore Ry.....	462	18	7
" taxes.....	425	10	5
" trustees' remuneration.....	1,013	6	11
" directors' fees.....	200	0	0
" exchange on cheques & bank charges.....	900	0	0
" interest on loan from Canada Life Co.....	164	6	6
" interest on prior debenture stock.....	3,107	17	6
" balance carried to balance sheet.....	4,000	0	0
	6,647	16	1

£21,762 0 8

Manitoba & Northwestern Bondholders.

At a meeting of 1st mortgage bondholders in London, Eng., Nov. 11, Col. F. D. Grey, one of the trustees, who presided, gave a history of the Co. since their connection with it, showing that in 1896 the Co., under powers received from the Dominion Parliament, made an issue of mortgage bonds to the amount of £540,000. The Manitoba Legislature made the Co. a grant of 6,400 acres of land for every mile of road completed; thus, on the completion of the 1st section, 180 miles in length, there were 1,152,000 acres, less 74,000, which had previous to the bond issue been sold by the Co., which might be considered included in their mortgage as additional security. In 1893 immigration was practically at a standstill, & default in the payment of their interest on the bonds was made on June 1 of that year. He then referred to the litigation which ensued, the funds for which were raised by six-sevenths of the bondholders entrusting their certificates to the committee appointed. The action was, however, still pending. The land question was now, he believed, settled upon terms on the whole satisfactory. It appeared that the Railway Co. had sold some acres of land, & had received part of the purchase money for the same. It had been arranged that the Railway Co. should find the warrants for ½ of this land, & warrants for the remaining ½ should be found by the Trustees, they being paid \$2.30 an acre, the average at which the whole of the land was realized. Clients of Coates & Co., in Canada, had offered to purchase, en bloc, the certificates issued by the bondholders' committee, thus obtaining the bonds represented by the certificates, & the offer had been accepted by the owners of the certificates. The committee consequently deemed that their duties had come to an end, & that it was incumbent on them to retire. As Mr. Coates, the Chairman of the committee, was no longer a bondholder, it might be that this action would not be continued by him; at any rate, some of the bondholders—the outstanding one-seventh—might desire to be represented on those proceedings, & therefore he had thought it right to call them together, so that if they thought it desirable they might combine & take such steps as might be necessary for the purpose. They had instructed Ewart, Fisher & Co., their solicitors in Manitoba, to represent the matter properly to the court, but they might consider independent action desirable.

It was afterwards agreed that the bondholders who had not supported the committee in their action should meet & consider whether they should become parties in the suit, as suggested by the Chairman. They after-

wards met in private, & as a result, a circular signed "Randall Mercer, Chairman of the Committee," & marked "urgent" was issued on Nov. 22 to the English holders of the bonds. The circular says: "As an action is now pending in the Canadian courts for foreclosure & sale of the railway, it seemed to those of the holders of bonds in this country who attended the recent meeting that, unless the remaining English bondholders speedily arrange to be officially represented at this juncture, they may find when too late that the property which has been mortgaged to them in conjunction with the other holders of bonds has been parted with for such a sum as will yield an inadequate—possibly an infinitesimal—return for the moneys loaned by them to the Co. Under these circumstances, the bondholders who attended the meeting elected certain of their number to constitute a committee to watch over your interests & take such action at once & from time to time as, in their judgment, may appear desirable to protect them. The committee beg that you will, in your own interest, give them your support, & enable them to act promptly. It is hoped that when the purchasers of the majority of the bonds have the facts placed before them they may see their way to offer at least the same terms to the minority as were obtained by the majority, & every effort will be made to bring about an amicable settlement. At the same time the committee desire to be empowered to enforce their rights, should they deem it in your interests to do so, by taking legal proceedings. If you are still a bondholder, will you communicate to us, by return of post if possible, the amount of your holding & the distinctive numbers of your bonds; but, if you have already parted with your bonds, will you kindly communicate to us the name & address of the buyer, or of the banker or broker through whom they were sold?"

A Duluth S. S. & A. Suit.

A suit has been begun in the U.S. Circuit Court by J. E. Burwind, on behalf of himself & other stockholders of the North Star Construction Co., against the C. P. Ry. Co., the Duluth, South Shore & Atlantic Ry. Co., & Sir Wm. Van Horne, to compel them to make an accounting of their management of the North Star Construction Co. & other companies under its control, & to pay over all profits accruing from such management.

The plaintiff alleges that the N. S. Construction Co. was organized under the laws of New Jersey in 1888 for the purpose of constructing the Minnesota line of the Duluth & Winnipeg Ry. The construction company was to receive payment in the bonds & stock of the railway company. In 1892 a majority of the stock of the construction company was transferred or sold to the C.P.R. through Sir Wm. Van Horne, he agreeing to pay the debts of the construction company, & to hold the stock sold through him until bonds of the construction company could be marketed & the amount of the debts repaid with the proceeds.

The construction company gave a promissory note for \$710,000, secured by the assets, bonds & stocks of the Duluth & Winnipeg Ry., the North Star Iron Co. & the Duluth & Winnipeg Terminal Co. In Nov., 1894, a demand was made by the C.P.R. Co. for the payment of the note, in alleged violation of the agreement on the part of Sir William to hold the stock. The Board of Directors of the construction company, elected through the influence of the C.P.R. Co., the complainant alleges, notified the C.P.R. representative, who had demanded payment of the note, that they could not pay it, whereupon all the securities deposited by the construction company were sold & bought in by the repre-