

BRITISH COLUMBIA ELECTRIC RAILWAY COMPANY, LIMITED

The nineteenth ordinary general meeting of the stockholders of the above company was held at the Liverpool Street Hotel, London, E.C., on Thursday, the 30th day of December, 1915. In the absence of the Chairman, Mr. G. P. Norton presided.

The Secretary (Mr. Michael Urwin, A.C.A.) read the notice convening the meeting and the auditors' report.

The Chairman: Ladies and gentlemen, it has been our custom in past years to take the report and accounts as read, but we meet under somewhat exceptional circumstances this year, and with your permission I propose to read the report.

Having read the report, the Chairman said: Now, ladies and gentlemen, I have to apologize for the absence of two of our directors. Our chairman, Mr. Horne-Payne, many of you will know, is not able to attend, and we very much regret his absence. Mr. Blundell Brown is doing some very important war work to-day, and I am sure we are all sorry that he is absent also. The chairman, as he usually does, has prepared a speech, and I will ask Mr. Harold Brown kindly to read it to you.

Mr. Harold G. Brown then read the chairman's statement, which was as follows:—

Ladies and Gentlemen,—The report that has been read so fully sets forth the position of the company's affairs and the causes which have produced that position, that I think there is very little that I can usefully add on these subjects.

British Columbia has unquestionably suffered from the effects of the war very much more acutely than any other part of Canada. Separated from the other provinces by the great barricade of the Rocky Mountains, her trade and industries and the development of her great natural wealth are largely dependent upon ocean shipping facilities. These at the commencement of the war practically ceased to exist owing to the presence of the German Fleet in the Pacific Ocean, and in consequence of the great demand and high prices paid for ships for the Atlantic and other trade nearer home they have only up to the present been restored in a very small degree. It is difficult to convey to you, and I do not think it is possible to exaggerate the extreme severity of the effects of war upon the community. Rich men have lost their fortunes, artisans and laborers have been thrown out of employment; industries have been closed down and property which a few months before the war was worth many thousands of dollars has been sold to realize the taxes due upon it.

There has resulted a commercial paralysis which has produced so great a falling-off in the receipts of the company that it is probable that it will not earn in the current year more than sufficient to pay its debenture interest.

Fortunately the war did not find the company in a weak position as regards cash resources, and by immediately cutting down capital expenditure to the utmost possible extent and enforcing the most rigid economy, the position has been still further strengthened, and the company is now in a position to withstand even the present acutely bad times although they should continue for several years.

Unfortunately, as events have turned out, we have extended our tramway system and increased our equipment and power plants largely beyond the requirements of the business at present available, and have therefore, for the time being, large amounts of capital unremuneratively employed. For instance, our systems of power plants on the mainland and Vancouver Island, have cost \$13,475,000, and are capable of producing about twice as much power as was required during the past year.

The ordinary effects of the commercial depression have been greatly accentuated by the advent of an extraordinary form of competition in the jitney bus. With regard to the future of this competition, since the commencement of the

winter rains there has been a considerable and continuous reduction in the number of jitneys operating, particularly in Vancouver. It is expected that this reduction will at least continue during the remaining winter months. What, however, will happen in the spring, when the fine weather returns, it is difficult to forecast. Our general manager holds the opinion that we shall not be troubled next summer with the jitney bus to the same extent as during the past summer.

We have hitherto struggled to maintain a thoroughly efficient service throughout all the districts served by our cars, but should this jitney competition continue on an extensive scale, the company must cease to operate some of the outlying lines. At present the jitneys take the cream of the paying traffic in the more thickly populated centres, leaving the company to provide for the whole of the unremunerative business. It is impossible for the jitneys to supply the needs of the outlying districts at anything like the fares which the company charges, but if the people insist upon supporting this unfair competition in the more thickly populated areas the company will have no alternative but to leave some of the outlying districts without travelling facilities.

During the year every effort has been made to strengthen the company's friendly relations with the municipalities and although the board has been compelled to refuse many requests involving expenditure of money, it is hoped that the municipal authorities are beginning to some extent to appreciate the company's difficulties, and that the interest and prosperity of the company and of the community are identical and inseparable. This will undoubtedly be realized more and more after the war.

The company's present position is extremely disappointing, but it is one that will right itself with the return of normal conditions. As the result of the wonderful crop, which is reliably estimated to produce to the farmers in the three prairie provinces alone no less than 400 million dollars, and of the stimulus given to every branch of manufacture by the increased spending power derived from it, and also from the large munition orders placed in Canada, a great revival of trade has taken place in the Eastern and Central provinces and will undoubtedly slowly extend to British Columbia. The extent of this revival may be judged from the fact that the earnings of the Canadian Pacific Railway since October 1st have increased as compared with the same period last year by 59 per cent.; those of the Canadian Northern Railway by 55 per cent., and those of the Grand Trunk and Grand Trunk Pacific Railways together by 21 per cent. During the same period the Canadian bank clearings have increased \$506,000,000 or 29½ per cent., whilst the financial statement of the Government of the Dominion of Canada for November shows a total revenue of \$17,072,000, an increase of \$7,577,000 over the same period of last year.

In conclusion, I think I may sum up the situation by saying that this company is suffering from what can only be described as tragically bad times, which have caused much suffering and have driven a quarter of the population out of the cities and have incidentally caused a greatly restricted use of the cars and of electric light, a reduction in the consumption of power by industrial enterprises, and have produced jitneys. I think there is no doubt that the worst is past. There is already a considerable improvement in the lumber trade, some increase in activity in mining, and the restoration of the Canadian Pacific Steamship service to Japan and China is definitely announced, which affords grounds for hoping that a more marked improvement will take place when the winter is over.

The Panama Canal and the Canadian Northern Railway across the continent to Atlantic tide water, both of which were completed in the last year, will prove most powerful