

THE CROW'S NEST PASS COAL COMPANY, LTD.

Directors' Report.

(Presented to the shareholders at Toronto, February 12, 1904.)

The Directors beg to submit to the Shareholders of the Company their Seventh Annual Report, including Statement of Assets and Liabilities as of the 31st December, 1903.

The balance at the credit of Profit and Loss Account brought forward from 1902, amounted to \$950,511.96. To this has been added the sum of \$310,492.28, being the Company's net profits from the operations of the year, also the sum of \$913,526.25 representing the premium received on calls paid on new stock; the whole making an aggregate to the credit of the Profit and Loss Account of \$2,174,530.49. From this amount the Directors have paid four dividends of 2½ p. c. each making 10 p. c. for the year, and amounting in all to \$303,717.36. This amount deducted from the above balance at the credit of Profit and Loss, leaves at the credit of that account, carried forward to 1904, the sum of \$1,870,813.13.

The balance of the new issue of stock referred to in the last Annual Statement as to be paid during the year 1903, amounted to, including the premium, \$1,646,318.75. On the 31st December last this had all been paid, with the exception of \$123,775.00, (of which \$74,265.00 is premium).

Substantial progress was made during the year in the permanent development of the Company's properties at Coal Creek, Michel and Morrissey. It was not until the first of February, 1904, that the mines at Coal Creek, which had been damaged by the explosion of the 22nd May, 1902, were fully restored.

During the year nearly a million dollars have been spent on plant, development and machinery, adding largely to the efficiency and capacity of the mines and of the operating and coking plants.

The steady increase in the production of coal is best illustrated by pointing out, that the output for the year just closed, exceeded that of 1902 by 49.83 p. c., while the output for December, 1903, is larger than that of January of the same year by 58.72 p. c. This satisfactory progress has been made, notwithstanding that production was materially retarded by a strike of all the company's miners, lasting from the 11th February to April 1st, and to a less degree by the strikes of the coke oven men in May, and of the miners at Morrissey in September. A contract has been executed with the men, providing for wages, hours of labor and other usual matters, effective for three years, but determinable by either party at the end of the second year, and it is expected that there will be no more labor troubles during the life of this agreement.

The mountain slide at Frank, which covered up the Canadian Pacific Railway Company's main line in the Crow's Nest Pass, gave rise to a car shortage of considerable duration, as did the handling of the western harvest in the months of October and November, both of which shortages interfered to a considerable extent with the transportation, and therefore with the production of coal and coke.

The Accounting work has been separated from that of the Operating, and a new department created to take care of this and the Purchasing, and Mr. Daniel Davies has been appointed Comptroller in charge of this department.

Mr. T. R. Stockett, jr., is now Acting General Manager and it is hoped that the confidence that his record as General Superintendent for several years has earned for him will be confirmed by his work as Acting General Manager.

The duties formerly performed by the Managing Director have been assigned to the office of the Third Vice-President, and are now being very satisfactorily performed by Mr. G. G. S. Lindsey, who has been elected to that position.

The Directors regret that Mr. R. W. Macpherson, the General Auditor of the Company, will after the Annual Meeting sever his connection with the Company, a loss which will be much felt.

All of which is respectfully submitted.

G. G. S. LINDSEY,
Third Vice-President.
TORONTO, February 12th, 1904.

GEO. A. COX,
President.

PROFIT AND LOSS ACCOUNT, FOR YEAR ENDING 31ST DECEMBER, 1903.

Balance at Credit Dec. 31, 1902.....	\$950,511 96
Net Profits for 1903.....	310,492 28
Premium received on calls paid on new stock. 913,526 25	\$2,174,530 49

APPROPRIATED AS FOLLOWS:

Dividends Paid.....	\$ 303,717 36
Balance carried forward to 1904.....	1,870,813 13
	\$2,174,530 49

GENERAL STATEMENT, 31ST DECEMBER, 1903.

ASSETS.

Mines, Real Estate, Plant, Development, etc....	\$5,418,435 51
Cash in Banks.....	\$ 66,551 31
Accounts Receivable.....	313,660 79
	\$5,798,647 61

LIABILITIES.

Capital Stock Paid Up.....	\$3,450,490 00
Bills Payable.....	\$145,000 00
Accounts Payable.....	250,265 64
	395,265 64
Dividend No. 12, Accrued.....	82,078 84
Profit and Loss.....	1,870,813 13
	\$5,798,647 61

INDUSTRIAL NOTES.

In our February issue the advertisement of the Riblet Patent Automatic Aerial Tramway stated that one man "can handle 1,200 tons per day." More recent information has shown the capacity of this tramway to be fully one third more, or the sum of 1600 tons per one man in 24 hours. The advertisement has been altered to the above figures.

In the interests of the Kootenay mining district petroleum has been transferred to the free list, by Order-in-Council, when it is imported for the concentration of ores by mine owners or mining companies for use only in concentrating establishments belonging to such mine owners or mining companies.

The Allis-Chalmers Co. advise, by circular, that its already large business is to be expanded. The Company is now associated with the Turbine Advisory Syndicate of England, and is prepared to build steam turbines in units from 500 to 1000 K. W. for use in the United States, Canada, Mexico and South America. The Company has also acquired licenses and patents which enable it to supply the famous hydraulic machinery of the Swiss firm of Eschen-Wyss & Co., and the gas engines of the German Company known as the Nurnborg Machinery Co., in sizes ranging from 260 H. P. to 6,000 H. P.

The Sullivan Machinery Company, Chicago, reports that owing to the growth of its business, it is making several changes in the addresses of its different offices this spring to secure larger quarters and increased facilities. The New York office, Mr. A. E. Blackwood, Manager, is now located at 42 Broadway, Rooms 1427-28, instead of the Empire Building, 71 Broadway, where it has been located up to this time. On the 1st of April, the Pittsburg office, Mr. Geo. W. FAVOR, Manager, will move from the Schmidt Building, 339 Fifth Avenue to the Farmers' Bank Building, where it will occupy rooms 1112-13. On or about April 15th, the general offices located heretofore at 135 Adams St. Chicago, will move into the newly completed Railway Exchange Building at the corner of Jackson Blvd. and Michigan Avenue where they will occupy Rooms 1502-14 inclusive.

The Allis-Chalmers Co., announce that their new electrical machinery depart will be in charge of Mr. John F. Kelly and Mr. Wm. Stanley; both formerly of the Stanley Electric Co.

The announcement is also made that Mr. Philetus W. Gates and Mr. Henry W. Hoyt, respectively General Superintendent and Second Vice President of the Allis-Chalmers Company, are about to retire from active participation in the management of that Company.

Mr. Gates was president and Mr. Hoyt secretary and general manager of Gates Iron Works for fifteen years prior to the incorporation of the Allis-Chalmers Company in 1901. The late P. W. Gates (father of Philetus W. Gates) was the pioneer manufacturer of Chicago and the region west of the Alleghenies, having established his business in 1842. From 1861 to 1871 the Eagle Works Manufacturing Co., of which he was president, employed about one thousand men, and in those days was a noteworthy industry. In 1871 the Eagle Works Manufacturing Co., went out of existence and from it were organized Gates Iron Works and Fraser & Chalmers, each taking a portion of the business. Both of these companies in turn were taken over by Allis-Chalmers Company in 1901.

Messrs. Hoyt and Gates after a well earned vacation spent in travelling, will re-engage in business in Chicago.

The Dominion Iron and Steel Company have ordered from a Pittsburgh firm, a coal washing plant of a capacity of 100 tons per hour; with an agreement to duplicate the plant, (thus giving a total capacity of 200 tons per hour), if conditions are satisfactory. The date for the completion of the first unit is, May 15, 1904.

The new General Manager, Mr. Graham Fraser, is busily engaged in effecting economies of production, and in determining what are the profitable lines of business of the Company.

It is reported that many of the finer lines of iron and steel manufacture which have been contemplated will not be taken up at present, but that the rolling mill will be kept at work on rails of standard sizes and dimensions.

The Executive Committee of the Dominion Coal Company held a meeting at Montreal on the 2nd instant, at which the Annual Report was submitted and discussed.

The output for 1903 (3,079,563 tons) fell slightly below that for 1902, by about 80,000 tons, owing to the fire at Dominion No. 1 Mine. The net earnings for 1903 were \$1,756,023.68, or \$398,932.31 less than in 1902. The fire above mentioned, with the increased cost at the other pits due to the enforced high pressure of working to fill existing contracts, is responsible for the decreased net earnings.

The dividend since the divorce from the Steel Company, has been at the rate of 6 p. c. per annum.

The demand for coal has considerably decreased during the last six months owing to depressed trade conditions at home and abroad, and the price per ton realized has also been diminished. The present business of the Company, however, is highly satisfactory and shareholders can keep easy minds.

The Nova Scotia Steel & Coal Co., Ltd., held a meeting of its directors in Montreal on Saturday, the 12th inst. The report of the General Manager showed the Company's business during the past year, to have been the largest and most profitable in its history. The profits for 1903 were \$859,397.19, against \$609,935.25 for 1902. The output from the coal mines was very much increased and the iron and steel plant was fully occupied throughout the year.