cording to the best and most modern practice.

The more technical part of this statement will appeal to railway men, but all of it must impress everyone who learns of it as an extraordinary fact that such a railway through such a country as British Columbia should be possible. Considering that this is an outlet from that immense area east of the Rocky Mountains tributary to the C.N.R., which lies north of the C.P.R. and as far east as Manitoba, and which is beyond doubt the best adapted to the raising of grain and general farming of all the immense north western territory of Canada, and that it is also an inlet from the Pacific to the same under such favorable haulage conditions, can it be questioned that it will develop an immense business, both easterly and westerly, which it will be able to create as soon as conditions become normal for water borne freight on the Pacific. Between the great plains and the Pacific Ocean the mountains are no longer a barrier, since the C.N.R. has come into existence, for they are crossed by this railway with a line which is comparable in the matter of gradients to a like distance in the least mountainous districts on the continent and is capable of hauling as great tonnage as rapidly and cheaply as any.

The National Steel Car Co's Sale and Reorganization.

The President, Sir John M. Gibson, issued the following circular to shareholders, Oct. 27: "Enclosed is notice calling a special general geeting of shareholders for Nov. 12 to consider the question of ratifying and approving a contract which the company has entered into for the sale of its property and business. A copy of the contract is also enclosed.

"The shareholders are doubtless all familiar in general with the situation in which the company has been placed, through a contract which it entered into in 1915, for the manufacture of a large order of cars for the Paris, Lyons and Mediterranean Ry. Co. Unexpected conditions arising out of the war, which were encountered by the company in the performance of this contract, resulted in losses which amounted to more than its total capital stock. Your directors and the officers of the company have been subsequently successfully engaged in reducing the amount of these losses, and have made a material recovery upon this contract, and meanwhile have successfully carried on the company's business and realized a profit therefrom, which has been applied in further reduction of such losses. They have also had in mind the desirability of some arrangement by which the company's debts could be liquidated and as much as possible realized for the shareholders.

"During the past year several negotiations have been entered into looking to the accomplishment of these things, but none of them has been brought to the point of the making of any definite proposal which could be submitted to you. The following is a summary of the company's financial situation as of Sept. 30, 1919: Accounts payable, $3,487,740; accounts receivable and inventory, $1,884,556; deficiency, $1,603,184. To set off against this the company has payments coming in, as a result of negotiations with the P.L.& M. Ry. in France, which, at final adjustment, should amount to $450,000, as well as its real estate, plant and machinery, which have been appraised at approximately $2,600,000. The situation is complicated by the present condition of the car manufacturing business in Canada and the United States. Few orders for cars are being placed, and the completion of the work in hand, and the absence of new orders in the market, has resulted in the necessity of shutting down a considerable part of the company's plant, so that at present time such operation as is being carried on is necessarily resulting in a loss. In view of this, the company's creditors, who have carried it along during the period of financial embarrassment, are insistent that means should be taken at the earliest opportunity to liquidate the company's debts, though during the past two years the company has done a satisfactory and profitable business. As security for its indebtedness, the company made in 1916 a mortgage covering all its property, for the security of an issue of $3,000,000 of its bonds, which have been pledged for the security of its creditors. The principal of these bonds is now overdue.

"Under these circumstances the board has no hesitation in recommending to the favorable consideration of the shareholders the contract of which a copy is enclosed. This contract is to be carried out only in the event that the shareholders determine to ratify it. In substance it makes provision for the discharge of the company's entire indebtedness and for the receipt by the company of 19,000 shares of the capital stock, out of 100,000 shares to be issued, of a new company into whose treasury will be paid in cash $1,250,000. In addition to the shares of stock thus to be received, one half of the net profits realized upon liquidation of the company's claims arising out of the French contract, after deductions as outlined in contract are to be retained by it. Your directors are hopeful that the avails of this contract when finally liquidated, will amount to a substantial sum.

"The company's plant is, in general, in excellent condition. Your board believes that it possesses an efficient operating organization. Its customers have been satisfied with the class and character of its manufactured products, and with the provision of adequate working capital, it is the board's judgment that the new company may look forward to a prosperous and successful career. Unless the proposed contract is ratified the board sees before the company, in view of the insistence of its creditors, no other alternative except liquidation and winding up, and the application of the company's assets to the payment of its debts, in which event it is improbable that any balance would remain applicable to the company's capital stock."

The contract referred to in the circular was made between Donald Symington, of Baltimore, Md., and Robt. J. Magor, of New York, N.Y., as purchasers, and the National Steel Car Co., Ltd., which is referred to in Sir John Gibson's circular, the purchasers agreed to organize a new company under the Dominion Companies Act. The National agreed to ransfer to the new company, all its property, assets, and business, as a going concern, except that it would reserve out of its assets to be ransferred its claims against the French Republic, or the Paris-Lyons-Mediterranean Ry. Co., which it agreed to endeavor to collect. If, upon appraisal of the National inventory, there should exist any deficiency, the National agreed to pay the new company all monies received in connection with its French claims until such deficiency was made good to the new company. After the deficiency, if any, was made good, all receipts on account of the claims to be divided equally between the National and the new company. The National to be reimbursed for its expenses in connection with the collection of claims. On the transfer of the National's property the new company to give the National a release from the Canadian Bank of Commerce of all the National's indebtedness to the bank. The contract provided that it be closed and the transfer of property made on Nov. 14.

The company was organized in 1912 and began operation in November of that year, with a capacity of from 6,000 to 7,000 cars a year. The first year's business showed a profit of $157,153.96, but 1914 was unprofitable, and the surplus was reduced to $80,785.08. In 1915, the company's best year, there was a net surplus of $527,504.56. No report has been issued since then. The Canadian Bank of Commerce is the company's largest creditor, and is said to have advanced about $2,000,000.

Donald Symington, of Baltimore, Md., was, until early in October, Vice President and General Manager, the T. H. Symington Co., railway supply manufacturers, whose works are at Rochester, N.Y. Robt. J. Magor, is President of the Magor Car Corporation, which has its head office in New York, N.Y., and its works at Athenia, N.J. He was a director of the National Steel Car Co., but resigned in October. He is a brother of Basil Magor, who was the National Steel Car Co.'s promoter, who was its first Vice President and General Manager, and who is now Consulting Vice President, Magor Car Corporation.

The National Steel Car Co.'s shareholders, at their meeting on Nov. 12, confirmed the contract entered into between the directors and D. Symington and R. J. Magor. We were officially advised, Nov. 18, that no directors other than R. J. Magor had resigned and that no changes had taken place in the officials. It is reported that the President, Sir John Gibson, will resign, and that other changes will be made in the directorate.

National Steel Car Corporation Ltd. has been incorporated under the Dominion Companies Act, to acquire the undertakings, franchises, business, property and other assets of National Steel Car Co. Ltd., and to carry on a similar business. The company's capital is to be divided into 100,000 shares, without nominal or par value, provided that the company should carry on the business with a capital of $500,000. The company may issue and allot the shares of its capital for $5 each, subject to the increase of such capital stock under the provisions of the Companies Act. The company's head office is to be at Toronto.

C.P.R. Steel Rail Orders—The C.P.R. has ordered 140,000 tons of its standard 85 lb. section steel rails from the Algoma Steel Corporation, Sault Ste. Marie, for spread shipment during 1920.