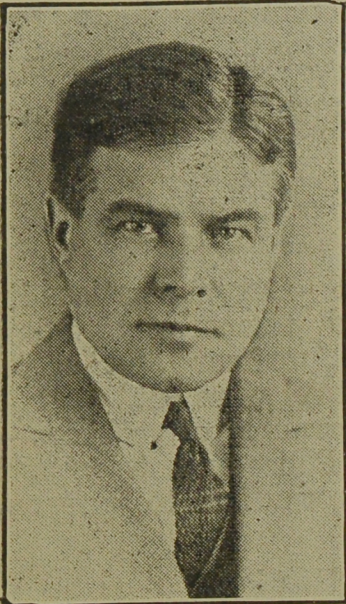


PRESIDENT BEATTY OF THE C. P. R.
OPTIMISTIC FOR THE FUTURE;
SPEECH TO STOCK HOLDERS

Montreal, May 7.—General confidence throughout Canada is unshaken by the combination of unusual conditions which has developed the present situation, the country; strength has been effectively proven and the future is now to be viewed with any degree of apprehension, in the opinion of E. W. Beatty, chairman and president of the Canadian Pacific Railways, as de-



E. W. BEATTY, K. C.
President of C. P. R.

clared to the shareholders of the company at the annual meeting held here today.

While a number of factors, particularly the failure to market Canadian grain have slowed up freight traffic it is felt that there is nothing of a fundamental character to prevent the return of normal business conditions within the next few months.

Mr. Beatty's Speech

In addressing the meeting Mr. Beatty said:

"Extending comment on the results of the past year will probably not be necessary in consequence of the comprehensive statement of the company's operations contained in the annual report. The results may I think be considered reasonably satisfactory in view of the traffic conditions which prevailed during the last four months of the year.

That these conditions have not materially altered is indicated by the results of the operation for the first three months of this year, showing as they do a decrease in gross earnings of \$8,932,000 and a decrease in net earnings of \$3,957,000.

As was to have been expected, the reduced movement in grain which was responsible for the lower earnings during the latter part of 1929 is still the principal feature in traffic decreases, an analysis of the first quarter's results indicating that of the total decrease for that period \$5,226,925 is due to the lighted movement of grain and \$3,704,762 to the reduced movement of general merchandise is consequence of the lesser purchasing power in the country.

Expenses Reduced

The expenses of the company have been reduced where possibly improve. As the shareholders are aware, Western Canada suffered from lack of moisture during the fall months of 1929 and in consequence the opening of spring found the soil drier than in a normal year. This condition was somewhat relieved so far as surface heavy and general falls of snow and rain during April, but further precipitation will be required during May and June before a good crop can be said to be assured.

I do not need to remind the shareholders that the conditions which have so seriously affected the company's traffic are quite beyond control and that the sole method of meeting them is by strict economy and exceptional efforts on the part of the officers and men.

There is, I am happy to say, no evidence that the organization is failing in any respect to maintain the prosperity and at the same time discharge its important transportation duties with great efficiency.

There is, I am happy to say, no evidence that the organization is failing in any respect to maintain the prosperity and at the same time discharge its important transportation duties with great efficiency. When dealing with the question of expenses during periods when traffic conditions are acutely subnormal, I consider it to be my plain duty to present as frankly and as accurately as I can the exact situation to the shareholders. I am under no illusions as to the policies the company must follow when the traffic, to carry which your equipment and facilities have been built up to an extraordinarily high state of effectiveness, is temporarily non-existent, and I perhaps may be pardoned, if I remind you that in this respect the company's position is not the same as that of the government owned system. It has been stated from authoritative sources on behalf of the latter: "Having regard also for what was thought to be temporary character of reduced traffic, it was considered unwise and indeed opposed to national interests to embark upon a wholesale policy of retrenchment which would throw many hundreds of wage earners out of employment, with attendant economic disadvantages. Consequently, while added prudence in expenditures was immediately brought to bear, the company exercised a restraint with regard to measures which conceivably might have created a worse and more permanent conditions of depression. In other words that reductions in staff were not, in the case of that company, considered advisable and that the Government system would maintain men in employment at the public expense under conditions which demand measures of retrenchment in the case of a commercial corporation.

Nothing perhaps emphasises more clearly the fundamental difference in the theory and method of operation of the two properties than this and it is, of course, only obvious to state that no such policy could be adopted under the conditions existing in Canada today, by any private company, no matter how broad and humane its policies were. We are of necessity forced to recognize the inevitable consequence of lack of business upon the services which the company has to perform. The reduction in our gross earnings during the past eight months are heavy, amounting in the aggregate to \$34,980,000 without traffic to move, there is an inevitable diminution in work to be done, both in train and in shops, and in such a situation prudent and economic administration, are requisite.

Freight Rates

The situation brings into strong relief the narrow margin of surplus which exists under the present Canadian scale of freight rates, even in prosperous times and in respect of the operations of the strongest and most efficiently operated company. The Shareholders will not be surprised, in view of the figures quoted in the annual report, to know that the operating revenue for the year amounted 3.9 per cent of their investment in railway property and that the surplus from railway operation was of very modest character. It is only fair to point out that if the company had received the fair rate of return, permitted under the transportation act of the United States, its net earnings for 1929 would have been over twenty million dollars in excess of what they actually were.

Credit Stands High

The credit of the company is very high and property so. It is an inescapable obligation of your directors and officers that it should remain so, not only in your interests but in order that the integrity of the property and its strength as a going concern should be at all times maintained. It would be a happy situation if the margin of earnings over expenses were sufficiently generous to permit the company to meet emergent and unusual conditions without restriction of service or reduction of staff, but so long as this condition does not exist, we have not alternative but to observe the immutable laws of sound economics, both in the interests of the per-

manent maintenance of this enterprise and to avoid the consequences which would inevitably follow its position being even directly menaced.

An Accurate Picture

As I have stated, the annual report contains a comprehensive and accurate picture of the operations for the year just closed and in the observations I am accustomed to make when moving the adoption of the report it has been my endeavor to present a fair picture of the conditions under which the operations of the company are being conducted since the close of the fiscal year and an appreciation of the factors which will influence these operations for the balance of the current year. The present conditions are effectively reflected in the result of the business done during the first quarter and the reasons for them have been stated. There is no general or widespread depression in Canada,

though several factors, principally the failure to market our grain, have contributed to a slowing up of freight traffic. There is not, however, anything of a fundamental character which should prevent the return of normal business conditions within the next few months. Indeed we have all been hopeful that the first and perhaps most essential change, both because of its psychological as well as its commercial effect, namely, the free movement of grain out of the country, would be in evidence during this or next month. If this movement begins, I feel reasonably assured that the effect will be a gradual betterment in conditions, and granted normal crops, the fall business should show an improvement over that of last year. It is not, I think, reasonable to assume that the same difficulties in marketing of the grain will be experienced this year and if this is so, Canada has only a short step to take to reach a position of healthy and general prosperity. It is probable too early to estimate the possible results of the tariff policies recently announced by the federal authorities but it is hoped that they will result in advantage to Canadian authorities and in the expansion of Canadian trade.

A Gratifying Factor

One of the most gratifying factors of our present situation has been that the combination of unusual conditions has failed to shake the general confidence throughout Canada. The strength of the country has been very effectively proven, and I for one do not view future prospects with and degree of a prehension notwithstanding that, in some particulars, and during the past eight months, the situation has been obscure.

As you are aware, there has been great expansion in the company's activities in the past decade, and you will be glad to know that the results, both in returns to the company and in the maintenance of its high position in the transportation world, have justified the policies of the directors which received your approval.

1930 Program

The programme for the coming year is, while substantial only an evidence of growth, while some of the expenditures are for new work, the largest proportion is for necessary extensions to existing facilities and a continuance of branch line construction in proven territory.

As I mentioned in an earlier part of my remarks, the officers and men of the company met the quick change in conditions of last fall with characteristic energy and ability. Our relations with our employees are harmonious and there is mutual respect for the viewpoint and the interests of the men on the one hand and of the company on the other, which is very gratifying. The longer I remain in the corporation, the more do I appreciate the splendid efficiency and loyalty of our officers and men and I am glad of the opportunity which the meeting of the shareholders offers me to give expression to my regard for them and my appreciation of their efforts in the interests of the property and its owners.

One of the greatest handicaps to personal and community progress is envy—the fear that a neighbor or competitor is going to prosper. This spirit cramps one's vision, prevents the business men of a community from working in harmony confuses issues and an accurate view of opportunities. Don't let this human weakness stand in the way of your own possibilities."



New Brunswick

To the Farmers of New Brunswick!

SO many practical benefits resulted from the initial newspaper advertising campaign by the New Brunswick Department of Agriculture in 1929 that we are glad to inaugurate a similar campaign this season to place the policies, services and personnel of the several branches of the Provincial Department of Agriculture more clearly before the Farmers of New Brunswick.

We hope by means of our 1930 series of advertisements, of which this is the first, to bring the farmers of New Brunswick and the Provincial Department of Agriculture in even closer touch than they have been in order that there may be a wider and more effective co-operation for the advancement of Agriculture.

You are invited to have the Department's District Representatives assist you in solving your agricultural problems.

Ken Smith
Minister of Agriculture

New Brunswick Department of Agriculture

HON. LEWIS SMITH, Minister HARVEY MITCHELL, Deputy Minister



DISTRICT REPRESENTATIVES

Superintendent—A. E. MacLaurin

DISTRICT NO. 1.—J. C. Bennett, headquarters, Chatham, N. B., Restigouche County with the exception of the Parishes of St. Quentin and Kedgwick, and the English speaking districts in Gloucester and Northumberland Counties—comprising 17 Agricultural Societies.

DISTRICT NO. 2.—Gustave Gaudet, headquarters, Chatham, N. B.—the French speaking districts in Gloucester and Northumberland Counties—comprising 19 Agricultural Societies.

DISTRICT NO. 3.—Arthur Gaudet and an Assistant, Alphonse Dionne, headquarters, Moncton, N. B. Kent County and the French speaking districts in Westmorland County—comprising 28 Agricultural Societies.

DISTRICT NO. 4.—G. F. MacLeod, headquarters, Moncton, N. B. Albert County and the English speaking districts in Westmorland County—comprising 16 Agricultural Societies.

DISTRICT NO. 5.—C. C. MacDougall, headquarters, Sussex, N. B. Kings and Saint John Counties—comprising 12 Agricultural Societies.

DISTRICT NO. 6.—M. P. Harrison, headquarters, Gagetown, N. B. Queens and Sunbury Counties—comprising 21 Agricultural Societies.

DISTRICT NO. 7.—R. T. Hawkins, headquarters, St. Stephen, N. B. Charlotte County and York County west of the Saint John river—comprising 17 Agricultural Societies.

DISTRICT NO. 8.—H. B. Durost, headquarters, Woodstock, N. B. Carleton County, York County east of the Saint John river and the English speaking districts in Victoria County—comprising 20 Agricultural Societies.

DISTRICT NO. 9.—George Michaud, headquarters, Edmundston, N. B.—Madawaska County, the French speaking districts in Victoria County and the Parishes of St. Quentin and Kedgwick in Restigouche County—comprising 11 Agricultural Societies.

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