QUEBEC RAILWAY, LIGHT, HEAT & POWER CO.

The annual report of the Quebec Railway Light, Heat and Power Co., Limited, submitted to the shareholders at the annual meeting held a few days ago, shows a considerable falling off in gross earnings and a good sized increase in operating and maintenance expenses, causing a sharp reduction in the year's surplus.

Gross earnings together with a miscellaneous income of $230,088 resulted in a total revenue of $2,027,941, which is a decrease of $34,951 from last year. Operating and maintenance expenses were $1,235,724, as compared with $1,155,969, in 1917, being an increase of $79,755.

After fixed charges the surplus for the year was $95,307, against $200,586 last year. After making provision for obsolete cars and the portion of storage battery installed in Queen street substation there remains a total at the credit of surplus account of $753,019, against $684,571 last year.

There was expended during the year an amount of $243,225.48 on maintenance account which was charged to operation in order to maintain in a high state of efficiency the physical condition of the properties and plant of the Company and its various subsidiary companies.

Asked regarding payment from the Government for the Quebec and Saguenay, Sir Rodolphe Forget, president, replied that already $247,000 had been received from the Government and the balance was expected in a few days.

He added that the company was now "practically out of the woods," and trains were now running between Baie St. Paul and Quebec.

The outgoing board of directors was re-elected.

UNCLAIMED VICTORY BONDS.

Many of the people who bought Victory Bonds last autumn have not yet troubled themselves to exchange their interim certificates for the definite bonds which are still in the hands of the banks. A banker points out that if the owners of these bonds do not come forward and secure them on presentation of their certificates endless confusion will be created when the next Victory Loan issue comes on the market in a comparatively short time.

Nearly all the banks have considerable numbers of bonds awaiting delivery and it is highly desirable that these should be claimed at once by their owners so that the decks may be cleared for the big task of handling the forthcoming loan.

CANADA'S TRADE BALANCE FOR JULY.

The Dominion's adverse balance with the United States for the first seven months of the present year stands about $61,000,000 less than in the corresponding period of 1917, according to Washington's foreign trade in July.

United States' purchases from Canada in that period increased $26,215,830, while United States' sales to Canada fell off $34,720,178.

The details of the July return, just made public, show a balance against Canada somewhat less than in any month since February. Our sales to the United States scored a small gain, while our purchases from that country fell off quite sharply. The net improvement as compared with July, 1917, was more than $15,000,000, but accomplished rather through restricted buying than through any large increase in Canadian exports. July, 1918, and 1917, figures of American-Canadian summaries offer the following comparisons:

July.	U.S. imports from Canada.	U.S. exports to Canada.	Balance against Canada.
1918	$37,253,927	$69,031,081	$31,777,154
1917	36,517,340	53,051,503	16,534,163
Increase	$736,587	*$15,979,578	*$15,242,991

*—Decrease.

Seven months' figures of American imports from Canada and exports to Canada, with the balance against Canada, follow:

7 months.	U.S. imports from Canada.	U.S. exports to Canada	Balance against Canada.
1918	$238,724,476	$469,317,988	$230,593,512
1917	212,508,646	504,038,166	291,529,520
Increase	$25,215,830	*$34,720,178	*$60,936,008

*—Decrease.

The record of trade between the two countries by months since the beginning of the year is given in the following table:

1918.	U.S. imports from Canada.	U.S. exports to Canada.	Balance against Canada.
January	$38,127,057	$50,346,242	$12,219,185
February	22,759,868	42,641,214	19,881,346
March	28,511,745	69,596,521	41,084,776
April	34,248,000	75,083,000	40,835,000
May	39,862,481	85,584,899	45,722,418
June	37,961,398	77,035,031	39,073,633
July	37,253,927	69,031,081	31,777,154
Total	$238,724,476	$469,317,988	$230,593,512

INTERCOLONIAL RATES.

Sir Henry Drayton's Comments in Judgment Raising Rates on Sugar.

Ottawa, Sept. 9.

Were freight rates on the Intercolonial Railway equivalent to the average rate on all the Canadian Railways, the revenue of the Government-operated road, on the basis of the traffic of 1917, would have been $2,154,600, or 19 per cent more than it was. That is the significant conclusion drawn by Sir Henry Drayton, Chairman of the Railway Commission, in a judgment recently handed out by the Railway Board ordering an increase in the commodity rates on sugar, affecting principally the Maritime Province refineries. In the course of the judgment Sir Henry goes at some length into the Intercolonial rates generally, comparing them with the rates charged on the other railway systems of Canada. "It is perfectly apparent," he concludes, "that the Intercolonial returns are abnormally low. Under the circumstances there is no question but that any rate reductions on the Intercolonial are really not made at the expense of that system, but are made at the expense of the Canadian taxpayers generally."

In view of the prospective nationalization of the Grand Trunk and Canadian Northern and their incorporation with the Intercolonial into one great Government-operated trancontinental system, it would seem that unless the taxpayers of one part of the country are to continue paying taxes to meet the deficits on the low rates accorded the people of the Maritime Provinces, there will have to be a general revision upward on the Intercolonial system.

HOW I. C. R. COMPARES WITH OTHERS.

Sir Henry finds from the railway statistics of 1917 that the ton miles on the Intercolonial amounted to 1,900,097,294 at an average rate per ton mile of 0.576, with a resultant total earnings of $10,946,071. Had the Intercolonial carried freight at the average C. N. R. rate of 0.688, the earnings would have been $13,072,669. At the average C. P. R. rate of 0.676 per ton mile the earnings would have been $12,844,657. At the average Grand Trunk rate of 0.738 per ton mile the earnings would have been $14,022,718.

On the basis of its operating ratios in comparison with those of other lines, Sir Henry finds that the Intercolonial again suffers by comparison. The Intercolonial's operating ratio to revenue is 90.9, the Canadian Northern's is 71.7, the Canadian Pacific 65.7, and the Grand Trunk 71.9. The net freight operating receipts per mile of line are $637. At the Canadian Northern ratio they would be $2,051, at the Canadian Pacific $2,402, and at the Grand Trunk $2,037.

NEED OF RENEWAL RESERVE.

The Chairman of the Railway Commission declares that with interest on only a 4 per cent basis, at least 2 per cent on the actual investment ought to be set aside by railways for renewal.

"Eliminating all question of interest charges and payment of past deficits," he says, "the necessity of such a reserve is easily shown by taking the cost per mile of the Intercolonial to the country. In 1899 the cost per mile was $37,957, in 1911 the cost per mile amounted to $57,419, and the cost per mile today on the mileage actually owned is over $79,000 the cost of the road to March 31st 1917 being returned as $120,275,032.

"A percentage of this increase can undoubtedly be justified, but it is equally certain that a very large percentage of it cannot be justified on any basis of normal values and business accounting."