

have authorized the execution of the work which will cover a period of about three years, and will involve an estimated expenditure of \$8,500,000 for which the shareholders' approval will be asked. The average cost per acre of irrigating this block exceeds by a considerable amount the average in the Western Section, due to the greater difficulty in reaching the source of water supply, to the mileage of the ditches, 3,500 miles as compared with 1,600 miles and to the improved character of the structures, but in the light of past experience the directors are confident that the financial and other results will be eminently satisfactory. The money provided for this work will, of course, be provided from the accumulated land funds.

The total assets of the company are now stated in the balance sheet at \$526,250,289, as compared with \$459,318,424 in the 1909 balance sheet. Of this, railway and equipment are taken at \$317,226,265, steamships at \$18,460,161, acquired securities (cost) \$69,076,971, deferred payments on land and town site sales, \$27,942,113. Cash in hand is \$46,165,187 and there is temporarily invested in government securities \$10,088,734. Liabilities are placed at \$483,380,443 so that there is a surplus of \$42,869,846. Over and above this surplus are the land-holdings.

The following tables show the present capitalization of the company and its dividend record since its inception:—

PRESENT CAPITALIZATION.

| | |
|--|---------------|
| Capital Stock.. | \$150,000,000 |
| Do. New Issue (\$30,000,000) partly paid.. | 23,530,085 |
| Four per cent. preference stock.. | 55,616,665 |
| Four per cent. consolidated debenture stock .. | 136,711,616 |
| Mortgage bonds:— | |
| First Mortgage, 5 per cent.. | \$34,998,633 |
| Canada Central Railway, 6 per cent.. | 973,333 |
| Algoma Branch, 1st mortgage.. | 3,650,000 |
| | <hr/> |
| | 39,621,966 |

Total.. .. \$405,480,332

DIVIDEND RECORD.

| Years | Per cent. | Years | Per cent. |
|------------|-----------|----------|-----------|
| 1885 | .4 | 1899 | .4 |
| 1886-7-8-9 | .3 | 1900 | .5 1-2 |
| 1890 | .3 | 1901-2-3 | .5 |
| 1891-2-3-4 | .5 | 1904-5-6 | .6 |
| 1895 | Nil | 1907-8-9 | *7 |
| 1896-7 | .2 1-2 | 1910 | *8 |
| 1898 | .4 1-2 | | |

*One per cent. from interest on proceeds of land sales.

MONTREAL WATER & POWER COMPANY.

The following letter has been sent to the Mayor and Controllers, with reference to the report of the latter to the Council, concerning the Montreal Water & Power Company. The letter is perfectly clear and to the point.

September 8th, 1910.

To the Mayor and Controllers of the City of Montreal, Montreal.

Gentlemen:—

In the columns of the public press of the 18th August, there appeared what purported to be a synopsis of a report of the Controllers to the Council regarding the Montreal Water & Power Company, together with a resumé of remarks relating thereto made by Mr. Wanklyn. The object of this letter is to say that, if the remarks in question are correctly reported, they are certainly unfair and unjust to this company and not

in accordance with the facts. The company has not refused and will not refuse to give the Controllers any information or allow the Controllers to make any investigation they are legally entitled to under the Act dealing with the question. This is a point for your serious consideration and any statement emanating from your body must have regard to and be in accordance with this announcement.

The whole question is by the legislation put into very concrete and simple form and means the following:—

1. If the City wants the property the legislation gives them the right to obtain it whether the company wishes to sell or not.

2. If the City wants the property and whether the City acquires it by one means or the other the price must be determined by arbitration.

3. The arbitrators are chosen, one by the City, one by the company and the third by the two in question, or if that is impossible then he is appointed by the Court.

4. This plan is to all intents and purposes precisely the same plan that the laws of every civilized country provide whereby corporations, such as railroad companies, municipal corporations and others given the right of eminent domain, may forcibly acquire property they may require for their special purposes.

Under the above circumstances it is quite clear that the company and the city are equally in the hands of the arbitrators, and we, therefore, do not see why the Controllers should ask for or expect to act in this matter in any other way than that indicated by the law.

We also take this opportunity of reiterating what we told you verbally, viz., that we are prepared to purchase the water system of the City of Montreal on precisely the same plan as that outlined in the law under which you have the right to purchase our system, subject to the following:

(a) The rates at present in force on the city system, to be maintained by us for a term of 30 years and then to be the subject of revision for the ensuing 30 years.

(b) We will put up a guarantee of one hundred thousand dollars that we will pay over the purchase price within 90 days of the final award of the arbitrators.

(c) We will within two years of the taking possession of the system, instal a filtration plant of sufficient capacity to filter the whole water supply.

(d) Other details to be arranged to our mutual satisfaction.

In conclusion we beg to say, that we understood from the remarks made by Mr. Wanklyn, in Council, that the Controllers now have no objection to our proceeding with the installation of our own proposed filtration plant. This as you are aware is quite contrary to the terms of your letter to us dated 3rd August last and we confess we are somewhat at a loss to know whether we should act as far as possible upon your expressed written wish to us or the subsequent verbal statement of Mr. Wanklyn who in the circumstances might be supposed to represent the views of the Board of Control as a whole, and perhaps you will be good enough to enlighten us on this point.

Yours faithfully,

MONTREAL WATER & POWER COMPANY.
Per EDWIN HANSON, President.