

FINANCE and ECONOMICS

MONTREAL STREET RAILWAY REPORT

Shows Fair Increases in Gross and Net Earnings—Improvements Have Absorbed Money.

The annual report for 1909 of the Montreal Street Railway Company has been published in pamphlet form. The following table shows the chief changes during the year:—

	1908.	1909.
Gross earnings	\$3,677,432 45	\$3,874,838 51
Operating expenses	\$2,158,394 09	\$2,255,019 20
Expenses per cent. of earnings	58.60	58.20
Net earnings	\$1,519,038 36	\$1,619,819 31
Passengers carried	90,746,032	95,376,373
Car earnings per passenger	3.96c.	3.96c.
Transfers	30,343,113	32,285,208
Total passengers carried	121,089,145	127,661,581
Car earnings per passenger total carried	2.97c.	2.96c.

The gross earnings increased during the year \$197,406, or 5.37 per cent., the operating expenses \$96,625, or 4.48 per cent., the net earnings \$100,780, or 6.63 per cent. The per cent. of expenses to gross earnings is 58.20 against 58.60 per cent. for the previous year. The increased payment to the city of Montreal for the percentage on earnings being \$17,772, an increase of 7.33 per cent. over the previous year.

The directors appropriated during the year from the surplus earnings of the company the sum of \$175,000 for renewals to the company's property. This amount, added to the balance of \$29,352 carried forward from previous years, made a total credit to the account of \$204,352. Against this amount there has been charged during the year \$173,815.

The sum of \$25,000 was taken from the surplus earnings of the company as a credit to the fire insurance fund. The interest on the investments for the year amounted to \$21,731. The amount now at the credit of this fund is \$470,109.

Premium on Stock Issue.

The premium on the last issue of new stock paid up during the year, amounting to \$142,684, has been credited to the general surplus account. The amount of \$59,027, representing the taxes on poles, rails, wires and machinery due the city of Montreal, in accordance with the recent judgment up to 1907, has been debited to this account. The amount due for the last two years has been charged against operation.

The company has expended during the year on construction account \$121,865; on equipment account, \$43,837, and on real estate and buildings, \$23,745, a total of \$189,448.

The directors have purchased 75 acres of land in the north-east end of Montreal, on which it is proposed to erect the new shops. The purchase of this land will secure for many years to come ample room for all extensions that may have to be made from time to time.

The company was again obliged to refuse payment of a portion of the city's accounts for snow removal, owing to the alleged wasteful manner in which the work was carried out.

Montreal Park and Island Railway Company.

The earnings of the Montreal Park and Island Railway Company have been somewhat disappointing during the year, owing chiefly to the effect of last year's depression in business in the various factories, etc., situated on this company's lines. The gross earnings remained about the same as the previous year, and did not show the usual increase.

The operating expenses were higher, owing to a larger amount being spent on the maintenance of the property of the company, and to the new extensions that have been constructed and operated during the past year. The extension of the Sault-au-Recollet line to opposite St. Vincent de Paul was completed during the summer and is now in operation. During the year the company entered into an agreement for a franchise with the town of Rosemont for a period of fifty years.

The gross earnings show a gross increase of \$2,858, the operating expenses an increase of \$16,947, the net results being \$57,057, against \$71,145 for the previous year.

The gross earnings of the Montreal Terminal Railway Company increased \$11,260, the operating expenses increased \$308, and the net surplus for the year was \$5,477, against a deficit in the previous year of \$5,162.

The following stocks and bonds, etc., in the Montreal Street Railway Company's treasury:—

Bonds—Montreal Park and Island Railway Company, \$1,025,000; Montreal Park and Island Railway Company, overdue interest (not included in assets), \$763,639.95; Montreal Terminal Railway Company, \$613,000; Suburban Tramway and Power Company, \$850,000; total, \$3,251,639.95.

Stocks—Montreal Park and Island Railway, common, \$720,900; Montreal Park and Island Railway, preferred, \$315,000; Montreal Terminal Railway Company, \$1,000,000; Suburban Tramway and Power Company, \$850,000; total, \$2,855,900; grand total, \$6,137,539.95.

STERLING BANK MAY INCREASE CAPITAL.

A special general meeting of the shareholders of the Sterling Bank of Canada will be held at the head office, Toronto, on December 21st to consider the advisability of increasing the bank's capital stock from \$1,000,000 to \$3,000,000. While it may be decided to take this action, the capital is not likely to be issued at once. The directors are merely seeking the necessary powers. Mr. J. Gordon, of Winnipeg, has been elected a member of the Sterling Bank directorate.

NOVA SCOTIA STEEL AND COAL COMPANY.

Some more or less startling statements were made recently respecting the faulting of the ore vein of the Nova Scotia Steel & Coal Company. A statement to the effect that the vein had been lost was made, and the public, not understanding the significance, was at a loss to know what to think of the situation. This week, however, Mr. Robert E. Harris, K.C., president of the Scotia Company, was in Montreal, and made some interesting statements. He pointed out that last June the sub-marine iron ore areas were examined by Mr. H. Kilburn Scott, M.I.M.M., of London, who estimated the ore in the land areas of the company, and in the 12½ square miles of submarine areas immediately adjoining those owned by the Dominion Iron and Steel Company, as follows:—

A (Ore practically proved	204,000,000 tons.
(Capable of mining	102,000,000 tons.
B (Reasonably supposed to exist..	448,500,000 tons.
(Capable of mining	291,525,000 tons.

The above estimate was irrespective of the contents of the 26 square miles of subterranean areas, which have not been proved.

The company's subsequent explorations confirmed Mr. Scott's estimates. The last bore-hole put down showed over 30 feet of good ore in the lowest seam, which is better than Mr. Scott's estimate.

After examining the coal, and limestone and dolomite properties of the company, as well as the iron and steel plant, he reported the plant "capable of turning out large quantities of finished material under the best conditions." Mr. Harris allowed that in the land and submarine areas of both the Dominion and Scotia companies, there are faults, but none are of a serious nature, the enormous value of the submarine deposits of the Scotia Company having been demonstrated beyond all question.

The output of the ore during the year would be about 450,000 tons, and of the coal about 108,000 tons. He also made the interesting statement that the company had already made contracts for the sale of 300,000 tons of ore in 1910.

THIS WEEK'S MERCER.

A consolidation, to be known as the Quebec Railway & Power Company, which has been spoken of for several months past, has at last been consummated. A charter has been applied for at Ottawa and operations by the new company will date from the first of next year. The capital will be \$10,000,000. The new company will control the electric service corporation of the city of Quebec. Mr. Rodolph Forget has been a main factor in the present deal, one of the results of which, it is expected, will be the extension of a line of railway to Murray Bay, along the picturesque shores of the St. Lawrence River. Mr. W. G. Ross, managing-director of the Montreal Street Railway, Senator Mackay and Mr. J. N. Greenshields, are also prominently connected with the deal, while the principal executive officer of the new company will be Mr. C. E. A. Carr, general manager of the Quebec Gas Company, which company has been taken into the merger, also the Jacques Cartier Power Company, the Frontenac Gas Company, the Canadian Electric, the Seven Falls Company, owned by the Quebec Power Company, and several smaller enterprises.