

MUNICIPAL FINANCE

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"Whereas civic elections, if held next spring, will impose a burden of at least \$50,000 upon the city, and

"Whereas it is expedient in the interest of good and economical municipal government that the City Council should be discontinued during the existence of the Administrative Commission and that the position of mayor should be made a purely honorary one.

"That the Council of the city of Montreal petition the Legislature of the Province of Quebec at its next session to suspend the functions of the Council, and to make the position of mayor an honorary one, until such time as the Legislature in its wisdom may restore to the city of Montreal a form of responsible government by the elected representatives of the citizens."

Port Arthur, Ont.—At the last regular meeting of the city council, the auditors' report of the city's finances was presented. The total outstanding debenture debt of the city at 31st December, 1918, was \$7,452,531, made up as follows:—

General purposes (including schools)....	\$2,418,290
Local improvements, (owners' portion) ..	1,727,245
Public utilities	3,306,995

\$7,452,531

With regard to the issue of the consolidated debentures under By-law No. 770, the council by resolution has decided to apply for special legislation to enable the rate of interest upon these debentures to be changed from time to time as issues are made in order that advantage may be taken of the prevailing market rates at the time of issue. This has not yet been obtained and the auditors urge that no time should be lost in getting the matter settled, in order that the city will be ready at the end of 1920 to meet the old consolidated debentures amounting to \$111,000 then falling due.

The total of all the sinking fund and other reserve accounts, (including those of the Public Utilities Commission) amounts to \$1,517,888, against which the actual improvements held at cost price amount to \$1,102,276, showing a shortage of \$415,612. This shortage at 31st December, 1917, was \$332,709, at 31st December, 1916, \$202,736, and at 31st December, 1915, \$93,053.

In addition to the shortage of investments for regular reserves, there is another very important shortage to be met, namely, that of the unexpended portions of debentures. At 31st December, 1918, this amounted to \$640,228. If this is added to the shortage already mentioned, the total cash shortage amounts to \$1,055,840. The auditors in their examination show that this deficit could have been turned into a surplus as follows: spent in capital expenditure not covered by debentures, \$405,000; not collected from taxes, \$685,000; accumulated deficits in the Public Utilities Department which should have been added to the taxes year by year, \$178,000; total, \$1,268,000. Deduct from this the balance of other current liabilities and assets, \$184,000, leaving a total of \$1,082,000, which gives a surplus of \$27,000.

But all of this amount of \$1,082,000 cannot be realized into cash for deposit into the sinking fund and a considerable portion of it will have to be carried for some years before it can be turned into cash, in fact a large part will never be realized at all.

The immediately available assets to meet the shortage of \$1,055,840.40 are approximately as follows:—

New debentures to be issued	\$ 350,000
Taxes outstanding	683,000
Balance due on old car barn site	109,000

\$1,142,000

Less balance of sundry current liabilities and assets, say	184,000
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\$ 958,000

Shortage as above	\$1,055,800
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Net shortage of immediately available assets	\$ 97,800
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INVESTMENTS AND THE MARKET

Canadian Locomotive Has Larger Profits—Quebec Electric Railway Appealing for Higher Rates

Abitibi Power Co.—Directors of the company have announced the decision to wipe out dividend arrears on the 7 per cent., cumulative preferred stock of the enterprise, and to place common shares on a 6 per cent., dividend basis. The preferred arrears amounting to 19¼ per cent., and involving the payment of \$192,500, together with the dividend of 1¼ per cent. for the current quarter, or 21 per cent., will go forward to shareholders of record as at September 27th on October 1st next. The initial distribution of 1½ per cent. among holders of junior securities of the company will be made on the same date and of the same record.

Quebec Railway, Light, Heat and Power Co., Ltd.—The company is again before the Quebec city council, asking for permission to increase the rates of fare on the street car service to enable them to cope with the increased cost of material and operation, and permit the present rate paid for service to remain. The company requests that the following tariff be authorized:—Seven cent cash fare. Seventeen (17) tickets for one dollar (\$1.00). Eleven tickets for fifty cents (workmen's tickets); good between the hours of 6 and 8 a.m., and 5 and 7 p.m.; not good on Sundays; rules at present in force. Two cent transfers. School children and children same fare as at present in effect. Fare after midnight, same as at present, namely, ten cents cash fare. Also, that the payment to the city of Quebec of 4 per cent. on gross earnings of city street railway be discontinued.

Southern Canada Power Co., Ltd.—It is announced that the company has about completed its high tension transmission system extending over about 240 miles, connecting up its new hydro-electric development at Drummondville, Que., with the various cities and towns now supplied by the company, including Richmond, Sherbrooke, St. Hyacinthe, St. John's, Granby, etc., Que.

The following are the gross and net earnings of the company and its subsidiaries for the eleven months ending August 31st, 1919, as compared with the same period of last year:—

Gross	\$538,966	\$439,150	\$99,815
Operat. exp. and purchased power	286,619	242,682	43,937
Net earnings	\$252,346	\$196,468	\$55,878

Western Homes, Ltd.—An allotment has been made of 1,315 shares of capital stock for which applications were on hand. There were also applications for the transfer of 108 shares. Western Homes is a combined mortgage and building company, and was capitalized originally at \$500,000. This stock was all taken at Winnipeg, and an increase was made to \$1,000,000. Of the second \$500,000, about one-half has been sold. In the beginning most of this stock was placed in the city. Latterly, more has been taken in the country. The loans are also now being distributed between the city and the country. The stock is being sold at a premium of \$10 a share. The company had a number of orders for the erection of houses this year, but did not proceed owing to disturbed labor conditions. The president, Willis Argue, looks forward to an active season in 1920, when the company will enter in a larger way on the discharge of its function as a building concern. Preparation for a period of active construction of homes has been made through the period of the war. With reference to immigration from the United States, Mr. Argue states that his office has had more enquiries with reference to Manitoba land in the last few months than in any similar period in its history.

Canadian Locomotive Co., Ltd.—In the annual statement of the company for the year ended June 30th last, presented to shareholders, a record showing was made, and larger profits were revealed.

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