

flushing. For the last \$32,000, which the company have expended on capital account, the return from the city corporation to the company would not pay one and a half per cent. per annum on the outlay, and from this deducting the tax we now pay and from which we were exempt ten years ago, it reduces the return to less than two-thirds of one per cent. per annum; in other words, all the return the city corporation makes the company for a capital expenditure of \$32,000, over that given ten years ago, will net only \$190 per annum.

When the General Hospital wanted water and water had been wanted for several years at Avondale cemetery, the company, to meet both, extended their mains some 2,500 feet, and all they got from the city for this was the rent of two fire hydrants; no water having been used from the company to the cemetery to this day, though as a poor substitute a windmill was erected to pump to the cemetery tank and tap the refuse water of the city, where thirty children, who frequent the cemetery, find accessible water that, in part at least, is the discharge of the city sewers.

By our agreement with the city in connection with the street watering, the company was to erect three stand pipes, from which the water for street watering purposes was to be taken, the agreement as to street watering

transfer from private to municipal ownership of water works, an allowance of ten per cent. over values otherwise reached, to compensate the stockholders for terminating their investment on behalf of the municipality, which in this case would require \$5,000, and by adding these to the engineer's estimate, we have a total beyond the figure at which the City Council were good enough to decline the works.

Because the Water Company, through its directorate, its officers and its staff, has proven a financial success, it is objected that our dividends are too high and the stock watered. We deny both. There is not a dollar of watered stock in the total stock of \$50,000, and the dividends were all earned before being declared or paid. Our mortgage or bond for \$40,000 forms a first charge against the works for interest and principal; the shareholders as to dividend and stock, being second, a position which admits of a larger dividend being earned than would otherwise be possible. Thirty-five per cent. of dividends was paid in stock at par in lieu of cash dividends. This was done because, while the profit had been made, the money was required for capital expenditure. Counting cash and stock dividends, they both equal 8 per cent. per annum to the stockholders since the money was paid in on stock account. It is possible on

\$15,000.

Woodstock, 8,612 population; water works cost \$158,552, with 20 miles of main, 128 fire hydrants; revenue from consumers \$7,000, from town \$6,735, and deficits to be met from the general taxes.

These excerpts are taken from the "Manual of American Water Works, 1897." It has been the aim of the directors of the Stratford Water Supply Company, while having regard to maintaining the sound financial basis of the works as a commercial enterprise, to so run the works as would best provide for the health and welfare of our citizens and patrons. We still see possibilities of improvement and await the co-operation and encouragement of the Mayor and aldermen of the progressive city of Stratford that these may be attained. The position of matters being as regards the quality, the quantity and the price of the water furnished the citizens of Stratford, that there has been a continuous observance in fulfilling the public duty charged in so far as they were charged when the act of incorporation was created to supply the city and inhabitants with water.

The Stratford Water Supply Co.,

JOHN CORRIE, President.
Stratford, Dec. 13, 1897.