tion, but the question to be considered is just how much assistance is absolutely needed now to enable him to effect such a result. Given ample assistance it will mean perhaps that he will be able to get the company in such a position, in a couple of years, but the question is, would he not be able to achieve just such a result, even though it should take a little longer time, even without further protection, to take the place of the bounties on many of the forms of iron and steel. An argument that is rather against the protection being continued is that dividends are already being paid on the common stock of the Steel Co., even though it is plain that such dividends as are being paid at the present time do not come out of actual earnings, but rather from a mode of financing, which permitted of the consolidation between Dominion Iron and Steel and Dominion Coal Co. Once there is a dividend on a stock which so largely represents water as does the common stock of the Dominion Iron and Steel Co., it would seem only natural for the ordinary lay-man to question whether it is not pretty near time to call a halt on the continuance of protection, for fear lest a good deal of the money, secured either by bounties or as a result of the protection afforded by keeping the outside competitors out of the home market, does not find its way into the pockets of the shareholders of the common stock in the way of dividends. As far as the question on reciprocity on coal is concerned, the present was hardly the time when it could be entertained, as far as the Nova Scotia mines were concerned, owing to the fact that the mines have been so seriously affected during the past couple of years by the protracted strike troubles that occurred at Glace Bay. The Dominion Coal Co. was certainly making very rapid headway, but the severe setback it received by having its properties ruined to a great extent, by not having the right class of labour in them, as well as through the tremendous loss in output, made it apparent that it would be quite a few years before the interests behind the soft coal companies of Canada would see their way clear towards discussing the question of reciprocity on coal between the United States and Canada. It may be that within the next few years, however, the Canadian Company by their location will find a very ready market throughout the New England States.

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Why Did Not the Old Directors of Montreal Street Railway Put Up Fight to Regain Control?

THE question that has been puzzling the Montreal daily papers for some time past is, "Why did not the old Board of Directors of the Montreal Street Railway Company put up a fight when they saw that the control of the company was being quickly wrested from them?" and why did not the Montreal Power Co. show a little more anxiety to fall in with the proposed idea of a possible consolidation between the Montreal Street Railway Company and the Montreal Light, Heat and Power?

Mr. W. G. Ross.

Day after day the Montreal papers expressed their surprise that the members of the old Board were not personally willing to go into a syndicate to put up a fight against the new crowd, and were instead quite willing to sit down and just let the other fellows go right ahead, and take over the control from them.

Since the recent annual meeting we have had an opportunity of discussing just this point with quite a few of the old directors, and it did not take long to see that there was not a single member of the old Board who considered Street Railway stock worth enough for them to go down into their own pockets and pay from $240 to $250 a share for it, in order to be able to retain the control themselves. Rather a peculiar condition, you will say, in as much as the new crowd identified with the Canadian Power Co., seemed quite willing to go ahead and pay up to $250 a share for the stock, and yet the men who knew most about the position the company was in, and the possibility of increasing its earning power, would not for a moment think of investing their own money around the level to which Street Railway stock had already been carried. Then, again, why did not the Montreal Light, Heat and Power interests appear willing to go into a deal with the Street Railway Company on the basis of $250 a share for Street Railway stock? The main reason seems to have been that the directors of Montreal Light, Heat and Power, after looking over the statements of the Montreal Street Railway Company for the past five years, decided that as far as they were concerned, such a basis was absolutely unwarranted by the actual earning power. After looking over the reports, it is stated that they took an average for the five years of Street Railway from 1905 to 1909, and saw that if it had not been for the money taken by the Street Railway from the Montreal Park and Island Railway for interest, that in some years it would have been absolutely impossible for the Montreal Street Railway to have maintained its dividend of 10 per cent. on its stock. The average for these five years showed that the average capital during that time was $8,451,770. The net income, on an average of course, amounted to $948,360, while the amount paid out in dividends was $807,364, leaving a surplus of $140,909 or a percentage of surplus to capital of 1.53 per cent.

Another interesting feature in connection with the Street Railway Company was that while normally there seemed to be a considerable increase in the total amount of surplus account, as of Sept. 30th, 1910, as compared with Sept. 30th, 1905, that almost all of the increase had been secured from premiums on issues of stock. The figures themselves show that whereas the aggregate balance of surplus account on Sept. 30th, 1905, amounted to $907,-623.86; that at the end of Sept. 30th, 1909, it had advanced to $2,679,864.76, a gain of $1,772,240. From such an amount, however, should be taken the premiums from stock amounting to $1,372,192.50 in 1907, and of $250,000 in 1908, a total of $1,622,192.50, which would make the net gain in surplus in the five years only $150,048.40.

COUPON.