

# FIRST REPORT OF MONTREAL TRAMWAYS COMPANY

## Result of Nine Months' Working—Earnings in Excess of Previous Twelve Months—Number of Passengers Carried

Monetary Times Office,

Montreal, July 31st, 1912.

The first comprehensive report of the Montreal Tramways Company has just been compiled. The appearance of this report has been awaited with interest, the reason being the many changes which have taken place in connection with the affairs of the company during the past year. It is only two years since the present management assumed control of the street railway. It was not until about a year ago that, in the reorganization, the Montreal Tramways Company took the place of the Montreal Street Railway Company. Many changes have been effected during the year, among these being the formation of the holding company known as the Tramways and Power Company, through the medium of which the desired object of the present control was brought about—namely, the joining up of the street railway interests with those of the Canadian Light and Power Company.

The common stock of the Tramways Company, which company succeeded the Street Railway Company in all its rights, franchises and privileges, was in the nature of a bonus stock to accelerate the exchange of street railway shares on the basis of the offer made public at the time. The public was unwilling to commit itself to any very definite views regarding the value of the tramways common stock, some claiming that it was too much of the nature of water to be of much value, and others assuming that its value was somewhere in the vicinity of \$30 to \$35 per share. Of late this stock has been advancing constantly and recently it reached par. This week buyers were asking 110 for it.

### Specific Value Difficult to Approximate.

Difficult as it has been to place any specific value on Tramways Common, the work of valuing Tramways and Power has been much more difficult, inasmuch as the latter company is a holding company into which go the surplus earnings on the stock of both the Tramways Company and the Canadian Light and Power, so that it becomes necessary to know somewhat of the earnings of both companies before the value of Tramways and Power can even be approximated. The stock has been experiencing a somewhat interesting movement of late and prices advanced to 60, later declining again to slightly above 50.

The financial report just issued shows that the company has made progress since the last annual report. The result of the nine months makes a good showing as compared even with the entire previous twelve months, as the following will show:—

	9 Months, 1912.	12 Months, 1911.
Gross earnings .....	\$ 4,355,403	\$ 4,775,300
Op. expenses .....	2,618,943	2,679,805
Exp. p.c. of earnings .....	60.13	56.12
Net earnings .....	1,736,549	2,095,080
Pass. carried .....	104,458,960	118,268,080
Car earnings per passenger ....	4.06	3.94
Transfers .....	34,947,315	4,488,545
Total pass. carried .....	139,406,275	158,756,625
Car earnings per pass. total carried .....	3.04	2.93

It will be observed that the car earnings per passenger shows a considerable increase. This is not surprising to Montrealers who have been raising objections to the overcrowding of cars. It is estimated that on the basis of passengers carried there should be an increase of 27,000,000 in passengers for the full year. The total carried last year was somewhat less than 159,000,000, while during the nine months period, according to report, somewhat less than 140,000,000 passengers were carried, making about 186,000,000 passengers per year.

### Earnings Exceed Those of Previous Year.

It is also worthy of comment that the earnings for the nine months of this year are in excess of those for the full year ending September 30th, 1910, as well as for all full years previous thereto. The financial report for the nine months ending June 30th will, it is understood, be presented at the annual meeting on August the 6th and is as follows:—

Gross earnings .....	\$4,355,403.57
Operating expenses .....	2,618,943.65
Net earnings .....	\$1,736,459.92

From which deduct:—

City percentage on earnings .....	\$279,030.17
Interest bonds and loans .....	449,513.67
Interest debenture stock .....	600,000.00
Taxes .....	50,850.00
	1,379,393.84

Surplus .....	\$ 357,066.08
From which has been appropriated for:—	
Contingent account .....	150,000.00

Transferred to general surplus .....	\$ 207,066.08
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### Few Shares not Exchanged.

No statement has heretofore been made of the number of shares of street railway which have actually been turned in for exchange. While President Robert in his report does not mention the actual number still outstanding, he states that only a few shares have not been exchanged. Reference is also made to negotiations in progress between the city and the railway for the purpose of securing a new contract.

The recent general manager, Mr. Duncan McDonald, has been succeeded by Mr. James E. Hutcheson, former superintendent of the Ottawa Street Railway, who has already taken up his work. It is understood that other changes will take place on the staff shortly.

## DIVIDENDS PAYABLE DURING AUGUST

The following is a list of companies paying dividends in August:—

Company	Rate %	Period.	When Payable.
Canada Cement, pref. ....	1¾	Quarter	August 16
Canadian Converters Co. ...	1	"	" 15
Coniagas Mines, Limited ..	6+3	"	" 1
Monarch Knitting Co. ....	1.47	2½ months	" 1
Murray-Kay, pref. ....	1¾	Quarter	" 1
Penmans, Ltd., pref. ....	1½	"	" 1
Russell Motor Car, com. ...	1¾	"	" 1
Russell Motor Car, pref. ...	1¾	"	" 1
Steel Co. of Canada, pref. ..	2½	"	" 1
Mexico Tramways Co. ....	1¾	"	" 1
Rio de Janeiro T.L. & P. ...	1¾	"	" 1
Nationale .....	2	"	" 1
Standard .....	3½	"	" 1
Sterling .....	1½	"	" 15
Weyburn Security .....	2½	half-year	" 21

## TORONTO POWER AND ELECTRICAL DEVELOPMENT COMPANIES

The proposal to issue Toronto Power consolidated debenture stock in exchange for the outstanding Electrical Development Company bonds is recorded in a circular issued by Mr. J. M. Smith, comptroller of the Toronto Power Company. The offer is a reply by the directors to a request by the holders of large amounts of Electrical Development bonds that they be granted the right to exchange each \$500 five per cent. bond for £103 of Toronto Power 4½ per cent. consolidated guaranteed debenture stock.

The circular continues:—"The directors are thus offering a great advantage to the holders of Electrical Development bonds, inasmuch as the present market price of the Toronto Power debenture stock offered in exchange is 100 and the present market price of the Electrical Development bonds in London is 96; the offer is therefore equivalent to paying a premium of 6¼ per cent. to holders of Electrical Development bonds on the exchange, and they will also obtain, by the exchange, an unquestionable security guaranteed unconditionally both as to principal and interest by the Toronto Railway Company.

"This offer will only remain open until September 1st, 1912. All Electrical Development bonds delivered up to the company in exchange for Toronto Power debenture stock, will, under the terms of the trust deed securing the latter, be kept alive and transferred to the trustees of the said trust deed as additional security for the said debenture stock.

"The interest on the Electrical Development bonds is payable half-yearly, on the 1st of March and 1st of September in each year. The interest on the Toronto Power stock is payable on the 1st of May and 1st November in each year.

"In order that the Toronto Power debenture stock offered in exchange for the Electrical Development bonds may rank pari passu in all respects with that already issued and quoted and be good delivery on the Stock Exchange, the Toronto Power debenture stock to be issued in exchange will carry the full half-year's interest due 1st November, 1912."

The amount of Electrical Development bonds outstanding is \$9,075,000, of which \$2,000,000 is already held by the Toronto Power Company.