MONTREAL TRAMWAYS COMPANY

Issue of Bonds—Gross Earnings Show Increase—Growth of Business

Monetary Times Office,
Montreal, March 12th, 1913.

In connection with the issue of $2,000,000 of the first and refunding bonds of the Montreal Tramways Company by the financial house of Messrs. N. W. Harris & Company, a statement of the earnings of the Tramways Company appears. This statement is one of much interest in local financial circles inasmuch as the company for some time past has not issued its regular monthly statements of earnings, as did the old Montreal Street Railway. These earnings, as compared with figures for what is approximately the corresponding period of the previous year, appear below. The comparison is made between the figures for the year ending January 31st, 1913, and those for the year ending February 29, 1912:—

	February 29, 1912.	January 31, 1913.	Change
Gross earnings	$5,598,001	$6,378,212	+ $ 780,211
Operating expenses ..	3,614,357	4,286,517	+ 672,160
Net earnings	$1,983,643	$2,091,694	+ $ 108,051
Bond interest	$ 721,150	$ 865,560	+ $ 144,410
Surplus over and above changes	$1,262,493	$1,226,134	— $ 36,359

It will be seen that although the gross earnings showed a very large increase, this increase was in large part absorbed by the increase in operating expenses, so that the net increase was only $108,051.

To Meet Appropriations.

Inasmuch as the company made a new issue of bonds during the year, the bond interest was greater than in the year 1911, this increase being $144,410, so that there was left $36,359 less than the previous year to meet the debenture stock interest and the various appropriations. The total debenture issue now amounts to $16,000,000, the interest on this being at the rate of 5 per cent., making a total for the year of $800,000.

In addition to the interest on the debenture stock, however, there are also other charges. In the past the company was in the habit of writing off the sum of $250,000 each year to contingent fund which, presumably, takes the place of depreciation, no other appropriation having appeared for this item. In addition, however, it was the practice of the old company to set aside a certain amount each year for insurance fund, this amounting to $25,000. The Tramways Company has adopted the practice of insuring in the regular manner, so that the charge on this account in all probability formed part of the increase in operating costs shown above.

Required for Contingent Fund, Etc.

As the company is now larger than ever before and the amount logically required for contingent fund would be greater than in the past, it might do to assume that the sum required for this and similar write off or transfer would be $300,000. On this basis, the remainder of the account might be assumed as follows:—

Year's surplus after bond interest	$1,226,134
Contingent fund, etc.	300,000
	$ 926,134
Interest on $16,000,000 debenture stock at 5%....	$ 800,000
Available against dividends on common stock....	$ 126,134

The total issue of common stock is now in the vicinity of $2,000,000, the bulk of this being held by the Tramways-Power Company as the holding company. The amount being earned against dividends on this stock is accordingly 6.3 per cent., and this is increasing all the time. The various bond issues and the fact that the company may shortly issue more stock will keep the surplus for the year an unknown quantity.

RAILROAD EARNINGS

The following are the railroad earnings for the week ended March 7th:—

	1913.	1912.	Increase or decrease.
Can. Pacific	$2,378,000	$2,144,000	+ $234,000
Grand Trunk	933,622	834,996	+ 94,626
Can. Northern	324,500	312,800	+ 13,079
T. & N. O.	28,502	33,030	— 4,527

WESTERN CANADA IS PREPARING FOR ACTIVITY

Agricultural Implements in Demand — Capital for Investment

Monetary Times Office,
Winnipeg, March 11, 1913.

Evidence of the demand for tractors in Western Canada is shown by a shipment which recently reached Winnipeg, consisting of a complete train of over 30 flat cars, 23 of which carried two tractors. The total value of the train load is $142,000, and is believed to be the largest hitherto received in Winnipeg. One Winnipeg firm will manufacture 800 tractors this year, but this, as in other lines of local industry, will not appreciably diminish the demand from outside points.

A compilation made from the returns of the railway companies during the year 1911, showed that 2,120 cars of agricultural implements were received at Winnipeg during that year, and the development of agricultural areas since that time justifies the belief that annual shipments received at Winnipeg are much larger.

Harvesting machinery is sold by the trainload, and it is by no means an uncommon sight to see a complete train of over forty cars, loaded with the threshing engines and separators from Eastern Canada or across the border.

Capital for Investment.

Mr. Edward Brown, who has returned from a trip to the east, where he spent some time in leading cities of the United States and Canada, disposed of 6 per cent. bonds of two Winnipeg industrial concerns. The amount involved was in all $1,750,000.

During his absence Mr. Brown appeared before the committee on banking of the house of commons and secured the charter for the British North Western Mortgage Company. The authorized capital of this company is $10,000,000. Of this sum there has been subscribed by the directors $1,000,000. An additional million will be shortly offered to the public.

The company will, within a few months, absorb the Canada West Securities Corporation, with total assets of $2,275,000. Provision for this is made in the Dominion charter which has just been secured.

Power and Transportation.

Winnipeg's power department's February returns total $59,600, an increase of $5,400 over the January figures, when the receipts amounted to $54,200. The cost of operating the plant and departments for February is estimated at $55,500, which leaves a profit of $4,106.

On May 18, eighty business men of Winnipeg will start on an eight-day tour of the west, under the auspices of the Winnipeg Industrial Bureau, which body annually conducts a trip of this kind for the purpose of trade expansion.

Alderman T. E. Dean, chairman of the Fort William, Ont., utilities committee of the city council, stated recently that the first work of the construction department will be to build the Island No. 2 extension of the street railway system. Alderman Dean expressed the opinion that the island extension is important, as there will be several new industries in operation and building on the island this summer and it is important that the city provide adequate means of transportation.

OCCIDENTAL FIRE INSURANCE COMPANY

The Occidental Fire Insurance Company's capital stock is $500,000. In its balance sheet for last year, $348,067 of this is shown to be uncalled. Its principal assets are mortgage loans to the extent of $120,080; cash in banks and on hand, $72,694.02; municipal debentures, $60,050; interest accrued, $7,392.55; agents' balances (less reserved for bad debts), $49,808.39; real estate and office building, $5,859.84; office furniture and supplies, $2,860.63; and fire maps (less depreciation), $6,882.40. A net surplus of $65,839 was obtained as a result of the year's business. The liabilities of the company are:—Subscribed capital, $500,000; losses under adjustment, $11,878.56; reserve for unearned premiums being full amount as required by the Dominion government, $89,153.30; income taxes accrued, $1,003.97; amounts payable, $5,729.17; and unclaimed dividends, $90.52.

CANADA PAPER COMPANY

At the Canada Paper Company's annual meeting the retiring directors were re-elected for 1913. The board consists of Mr. Joseph Kilgour, president; Sir Montagu Allan, vice-president; Messrs. C. R. Hosmer, H. S. Holt, Hon. Robert Mackay and F. W. Folsom.