UTILITIES—STATEMENT FOR 1916.

Statement showing the earnings of the utilities of the City of Edmonton for the year ending December 31st, 1916:

	Surplus on operation & maintenance.	Surplus over all charges, including depreciation.
Electric Light & Power	$196,255.16	$ 64,788.82
Waterworks	167,965.95	9,570.84
Telephone	167,965.95	9,570.84
Power House (up to June 30th, 1916)	119,468.34	39,430.71
Street Railway	132,755.88	*119,597.66
	$789,666.23	$138,200.41
		*119,597.66
Surplus over all charges on all utilities		$ 18,602.75

*Deficit.

The above figures speak for themselves. It will be noted that, taking the utilities as one corporation they show a surplus of $789,666.23 over and above operation and maintenance expenses, and surplus of $18,602.75 over all charges.

In this connection it may be pointed out that a private corporation does not lay aside what is known under municipal ownership as a sinking fund, to retire the debentures at the end of a certain number of years. It would be sufficient for a private corporation to pay to its shareholders a moderate rate of interest on their shares and lay aside a certain amount for future contingencies, but utilities operated by a municipal corporation are not only required to pay all operating, maintenance and depreciation charges and interest, but are also compelled to put aside a large sum of money each year into the sinking fund, for the redemption of the capital moneys invested, which is no doubt the safe thing to do, but when comparing municipal ownership with private ownership, this fact would be borne in mind.

The Street Railway has a surplus of $132,755.88 over operation and maintenance expenses, and is earning 4 1-3 per cent on the capital invested, and showed a betterment of $16,161.05 over the year 1915, which is considered satisfactory.

NO PERMANENCE IN WAR PROSPERITY.

"We should bear in mind that there is no permanence in war prosperity; that it is war business which has so accelerated the wheels of industry; and the termination of this must react on industrial activities with far-reaching results. Factories employed exclusively in this connection will close down. Kindred industries stimulated by high prices will suffer by the establishment of more ordinary conditions. Exports will decline as Europe imports less, and commodity prices will recede. Labor will become a glut on the market, aggravated by the return of soldiers in large numbers. All this appears certain to follow the establishment of peace, and the longer the war endures the more drastic will be the depression, because of the greater economic exhaustion of Europe and the effect upon her buying power. We have already seen the stock markets convulsed by a most improbable suggestion of peace."

"However, after the first shock of readjustment, we may expect a great demand for our farm products, building material, farming implements, etc., etc., in the rehabilitation of Europe. Pending this demand and in preparation for the depression in business that must occur, the prudent man will put his house in order."—Sir Herbert Holt, President of Royal Bank of Canada.