

Electric Railway Department

British Columbia Electric Railway Co.'s Annual Report.

Following are extracts from the report for the year ended June 30, 1913, presented at the annual meeting in London, Eng., Dec. 19:—

The year covered by the report was one of difficulty and disappointment, mainly owing to the continued rise in the cost of operation and in the cost of all descriptions of supplies. Increased working expenses absorbed practically the whole of the large increase in gross earnings, in spite of continuous effort on the part of the management to economize. One of the causes of the increase in expenses was the protracted and stubborn strike in the coal industry which existed throughout the year, resulting in a considerable rise in the cost of coal, and necessitating the purchasing of supplies in the United States and in Australia. The expensive working conditions still continue and are affecting the current year's earnings. Moreover, the gross receipts of the railway have fallen off owing to the depression which is prevalent in British Columbia. The directors have undiminished faith in the future of British Columbia, and consequently of the company, and meanwhile have confidence that, by a small increase recently made in fares and by rigid economy, they will be able to maintain the present dividend basis.

For the 12 months to June 30, 1913, the gross receipts show an increase of \$1,035,869, or over 17%, and the net earnings, including income from investments and subsidiary companies, and after charging renewals, show an increase of \$77,552, or 4%, over the preceding year, but the surplus over the amount required to pay interest and dividends has failed from £67,670 to £28,242. The money actually expended up to June 30, 1913, amounted to \$45,168,312, and the amount paid out in interest and dividends for the year amounted to \$1,888,139, equal to 4.18% on the entire investment. The following charges have been made against the revenue account of the year, viz:—

Provision for renewals maintenance (from which £40,102 16s. 8d. has been deducted for adjustments and expenditure on renewals during year).....	£140,653 13 3
Amount added to capital amortization.....	2,960 17 7
	<u>£143,614 10 10</u>
Net profit for year, after making above deductions.....	£381,424 12 2
Add balance brought forward from last year.....	7,731 19 7
	<u>£389,156 11 9</u>
Interest on debentures and debenture stock to June 30, 1913.....	£125,182 3 2
Dividends already paid—	
On 5% cumulative perpetual preference stock for year to June 30, 1913.....	60,000 0 0
On preferred ordinary stock for year to June 30, 1913.....	72,000 0 0
On deferred ordinary stock for six months to Dec. 31, 1912.....	48,000 0 0
	<u>305,182 3 2</u>
Leaving available for further distribution and reserve.....	83,974 8 7
From this the directors have recommended the payment of a dividend on the deferred ordinary stock at the rate of 8% per annum for the six months ended June 30, 1913, making 8% for the year.....	£48,000 0 0
To transfer to reserve fund.....	26,455 9 3
	<u>74,455 9 3</u>
To carry forward to next account.....	<u>£9,518 19 4</u>

There has been added to the reserve fund £67,544 10s. 9d., representing the premiums by which the price paid into the treasury exceeded the par value of £1,320,000 new share capital issued during the year, less expenses thereon, and after deducting the expenses and discount on an issue of £750,000 4¼% debenture stock issued in Jan., 1913. After the transfer now recommended by the directors as above, the reserve fund will amount to £553,000.

The growth of the company's enterprise is indicated by the following figures:—Miles of single track in operation—1909, 97.74; 1913, 357.82. Total cars of all classes—1909, 248; 1913, 873. The number of passengers carried during the year was 71,973,822, an increase for the year of 9,819,656.

In the monthly statements of earnings issued since July 1, 1913, the actual profits of the subsidiary companies have been included in the total income. Owing to the practical completion of the hydro electric installation at Lake Buntzen, it is now possible to ascertain with accuracy the cost of power. In the past the price charged to the railway for power by the Vancouver Power Co. had to be fixed somewhat arbitrarily, owing to the continually varying amount of the capital invested in the hydro electric installation. The railway has benefited at the expense of the power company, as the price charged was too low. This accounts to a large extent for the apparently unsatisfactory yield obtained by the company in the past from its investment in its subsidiaries.

In June last two of the directors, Messrs. Brown and Harvey, visited British Columbia, and during a stay of nearly three months thoroughly investigated existing conditions and future prospects. They report very quiet conditions of trade in the province, and a noticeable reaction from the progressive prosperity, which has been so marked a feature of the past ten years. They believe that the existing depression is almost entirely due to the prevailing stringent monetary conditions and that it will be dispelled by the return of confidence in Canadian undertakings and in the stability of the market for Canadian securities, resulting from the continuous adoption of careful methods of finance.

The dam and other works at Lake Coquitlam, which have been under construction for three years, were completed in July last. The satisfactory construction of these works reflects the highest credit on G. R. G. Conway, the Chief Engineer, and on his assistants, and the directors are glad to take this opportunity of publicly acknowledging their valuable services. The completion of this dam marks an important epoch in the company's history, providing an available reserve of over 57,000,000 k.w. h. of electrical energy. With the power secured from the Western Canada Power Co., the company is now placed in an exceedingly strong position in this respect. The new power house at Lake Buntzen has been completed, and the first of the three additional units to be installed therein is now in operation. The erection of the second and third units is being considerably delayed, owing to the difficulty of obtaining deliveries from the manufacturers, but it is anticipated that these units will be in op-

eration during the early part of 1914. A satisfactory contract has been entered into with the Western Canada Power Co., under which the company agrees to purchase a gradually increasing amount of power during the next 20 years. The extension of the Jordan River hydro electric power installation has been proceeded with during the year. To secure the necessary water storage for supply to the additional units a permanent reinforced concrete dam has been completed. By the completion of this dam the total maximum available water storage is increased to 927,900,000 cu. ft., equivalent to a reserve of approximately 14,500,000 k.w.h. of electrical energy. The electric plant at Jordan River has at present a capacity of 12,000 h.p. A third unit is in course of installation, bringing up the capacity to a total of 25,000 h.p. which is required to meet the demand in the City of Victoria and the surrounding districts. During the year the installation of the auxiliary steam plant, which at the date of the last report was under construction at Brentwood Bay, 12 miles from Victoria, has been completed and has a present capacity of 6,000 h.p. The plant has been designed on the most modern lines, and is held in reserve to meet the possible emergency of a breakdown in the company's other power plants on Vancouver Island.

In June last the new Saanich suburban line was formally opened for traffic. The line, approximately 23 miles long, runs as nearly as may be through the centre of the Saanich Peninsula, and opens a very fertile tract of country hitherto without satisfactory connection with the City of Victoria.

The directors again have pleasure in expressing their appreciation of the loyal and satisfactory services rendered by the management and staff in British Columbia.

The following capital account expenditures were made during the year:—

Rolling stock	\$1,068,984.16
Permanent and double tracking and sundry improvements	556,479.97
Track extensions	781,235.89
Lighting extensions	350,128.42
Power extensions	146,008.58
Steam plant	72,614.06
Lands and buildings	1,097,312.32
Electrical machinery	308,944.71
Extending light and power system	330,711.18
North Vancouver—rolling stock, meters, transformers, and initial installations..	30,864.98
Sundries	144,990.54
Transmission lines and railway feeders ..	134,139.30

\$5,022,413.91

Montreal Tramways Company's Service.

The M.T. Co., it is reported, has now about 200 more cars in service than it had at the same time last year. J. E. Hutcheson, General Manager, is reported to have stated that additional cars are being received at the rate of six a week. Special attention is being paid to the matter of overcrowding of the cars, and it is claimed that this will be considerably minimized by the substitution of new cars for a number of the older ones at present in service. The new cars have accommodation for 44 passengers, against 28 in the older ones.

All the cars are being repainted, green having been adopted as the standard color for city cars, and yellow for the suburban ones. On the new cars, signs will indicate both the destination and route, but it is stated that it is not likely that this method will be adopted on the other cars at present.