

**SAO PAULO TRAMWAY, LIGHT & POWER
COMPANY, LIMITED.**

**Report of the Fifth Annual Meeting, held Monday, April
23rd, 1906.**

Your directors beg to submit to the shareholders their annual report, together with the financial statement for the year ending 31st day of December, 1905.

You will find by reference to the report which follows that the gross earnings aggregate \$1,908,405.73, an increase of \$489,067.23, or 34 per cent. over the previous year, while the increase in the operating expenses amounted to 40 per cent., resulting in net earnings from operation of \$1,238,473.86, or an increase of 31 per cent. over 1904.

Out of the net earnings there have been declared and paid four quarterly dividends of two per cent. each, at the rate of eight per cent. per annum, aggregating \$599,594.49, interest charges \$275,846.86, and there was transferred to contingent account \$50,000, making an aggregate total distribution of \$925,441.35, leaving the sum of \$313,032.51 to be carried forward.

Capital Expenditure.

The total expenditure on capital account during the year amounted to \$524,976.56.

President's Remarks in Moving Adoption of Report.

In reading and moving the adoption of this, the fifth annual report of the company, it affords me much pleasure in calling your attention to the continued prosperous condition of the company's affairs in Sao Paulo.

As has been stated in the report, our increased revenue has not been without increased expenditure, but it should be remembered that a large portion of this increase in working expenses is accounted for by the enhanced value of Brazilian currency, which also played so favorable a part in augmenting our gross earnings.

The large expenditure on capital account, part of which was commenced during 1904, but completed this year, was found necessary in order to meet the increasing demands in all branches of our system.

The statistical tables to be found in the printed report will, I am sure, be interesting to all shareholders, and will give a very comprehensive review of our growth and development.

I consider the report most satisfactory in all respects, and have much pleasure in moving its adoption, seconded by Mr. Frederic Nicholls.

STATISTICAL STATEMENT.

Earnings and Expenses Converted into Canadian Currency at Average rate of Remittances Each Year.

	1905.	1904.	1903.	1902.
Gross earnings	\$1,908,405 73	\$1,419,338	\$1,303,175	\$1,123,285
Operating expenses	*669,931 87	477,556	403,748	417,916
Net income	1,238,473 86	941,782	499,427	705,369
Expense % of earnings	35.1	33.6	31.0	37.2
No. lamps in use	34,497	33,019	28,881	21,745
No. light customers	3,966	4,025	4,189	3,334
No. power customers	220	188	151	86
No. motors installed	336	279	188	101
No. h.p. contracted	4,076	3,297	2,552	1,657
*Including \$35,359 taxes paid at Sao Paulo.				

Income Account.

Net income for the year, after deducting all expenses and fixed charges	\$962,627 00
Appropriated as follows:—	
Four quarterly dividends	\$599,594 49
Surplus—	
To contingent account	\$ 50,000 00
Profit and loss account	313,032 51
	\$363,032 51
	\$962,627 00

GENERAL BALANCE SHEET, DECEMBER, 31st, 1905.

Assets.	
Hydraulic plant, transmission lines, light and power systems, rolling stock, real estate, buildings, etc.	\$14,247,351 49
Stores in hand	344,615 97
Accounts receivable	65,715 11
Cash in hand	122,202 08
	\$14,779,884 65

Liabilities.

Capital stock subscribed, \$7,500,000; fully paid...	\$7,499,400 00
Bonds authorized, \$6,000,000; in treasury, \$500,000; issued	5,500,000 00
Accrued interest charges	21,354 16
Accounts and wages payable	125,901 07
Unredeemed tickets	997 60
Dividend No. 15	149,980 00
Contingent account	79,350 00
Suspense exchange	298,696 52
Profit and loss balance as at December 31st, 1904.	\$ 791,172 79
Balance, 1905, surplus forward.	313,032 51
	1,104,205 30
	\$14,779,884 65

Verified: CLARKSON AND CROSS, Auditors.

**IRON ORE FROM THE LAKE SUPERIOR
STATES.**

The growth of the iron ore traffic between the south-west shore of Lake Superior and the cities on Lake Erie has been very great for many years. It is believed by those who follow the shipping movement on the Great Lakes that the opening of navigation this year will mark the beginning of one of the most active seasons in iron ore in the history of the iron and steel industry of the United States. In the neighborhood of 40,000,000 tons of iron ore is likely to be brought down this year from the mines of Michigan, Minnesota and Wisconsin, or more than 5,000,000 tons in excess of 1905, the banner year. Last year navigation started in the latter part of March, and the opening this year may be two or three weeks later. Shipments in 1905 were not well under way until May, in which month more than 4,000,000 tons were brought down. The U. S. Steel Corporation's lake capacity has been largely increased over the last year, and it is likely that its freight tonnage in 1906 will be the largest known. The Steel Corporation's shipments in 1905 represented 54 per cent. of the total; in 1904, 15 per cent., and 1903 63 per cent. If 40,000,000 tons of iron ore are shipped this year it is safe to assume that the pig iron production of the United States will be close to 24,000,000 tons.

—Satisfaction is expressed that at length an experimental fruit station is to be established by the Ontario Government in the Niagara peninsula. It has been agitated for during some years, but its actual establishment has been facilitated greatly by the offer of Mr. Rittenhouse, of Chicago, formerly a native of Jordan, in Lincoln County, Ontario, to donate fifty acres of good land in the latter district. He also offers to macadamize the road leading to the farm and to supply water at nominal cost. The generous proposal has been accepted, and plans are being rapidly perfected.

—The committee appointed by Toronto city council to report upon the matter of level crossings for railroads, does not look with favor apparently on the offer of the Grand Trunk Railway to depress their tracks from Sunnyside to Bathurst Street, sharing the cost equally with the city. The larger part of the expenditure would be upon the acquirement of land and the building of retaining walls, and only a comparatively small amount would be devoted to the building of bridges, the only part of the work in which the city is particularly interested. The committee on the other hand instructed the City Engineer to prepare an estimate of the cost of an overhead bridge at Sunnyside for trolley cars and other vehicular traffic as well as pedestrians, and when this is obtained will apply to the Railway Commission for an order compelling the company to erect the bridge at its own expense. Level crossings, such as that at Sunnyside, have been a peril to the public long enough; when some really serious accident takes place, which is quite possible any day, there will be an outcry and a rush to remedy the present foolish state of things; but it will then be too late.

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