

forming the collateral trust was a public utility. Gilbert E. Porter, counsel for the trustees, described in detail how the trustees purchased the controlling interest in the three elevated railways through a contemporaneous issue of notes, and stated that the three members forming the association were not amenable to the commission, although the function of the trust was to borrow the money needed by the railways. Hearings were continued.

**Toronto Bills Rejected.**—The city of Toronto, Ont., had its bill affecting the Toronto Railway thrown out by the private bills committee of the Ontario Legislature on March 23. The city asked that the word "tracks" be defined as meaning roadbed and rails instead of just rails. The city also asked that it be allowed to expropriate the Toronto Suburban Railway in Ward Seven. Another request was that the agreement of 1891 be interpreted to mean that the city had the right to say on what streets the Toronto Railway should lay tracks. This was rejected, as was also the request that the company be forced to put 180 new cars on the system. As the result of the city's request it is likely that an amendment to the general act will be moved so that the Ontario Railway Board will have the supreme right to deal with all railway questions.

**Assisting the Small Borrower.**—Theodore P. Shonts, president of the Interborough Rapid Transit Company, New York, N. Y., Guy E. Tripp, chairman of the board of directors of the Westinghouse Electric & Manufacturing Company, and Arthur Williams, of the New York Edison Company, are among the directors of the Morris Plan Company, New York, which started business on Dec. 31, 1914, with a capital stock of \$100,000 to make loans to small borrowers. The plan of making loans is simple, but is in no way a charity. It does, however, relieve the borrower from the machinations of the loan sharks. Applicants for loans must furnish references as to their character and must give information as to their income. They must have at least two indorsers or co-workers of situation and income at least as good as their own. Interest on loans is deducted in advance.

**The Flood of Legislation.**—Elihu Root, the president of the Constitutional Convention which will meet in April to review and remold the organic law of the State of New York, was the principal speaker at the meeting of the members' council of the Merchants' Association of New York on March 25. Speaking of the flood of legislation recently Mr. Root said: "We are seeing now in the newspapers remarks that this Legislature has not done much. I had a count made not long ago in the library of Congress of the number of laws that had been passed in the five preceding years. That was made last year, and in the five years ended Dec. 1, 1913, I found that more than 62,000 laws had been passed by Congress and the State legislatures in this country in that five years, and I found that there had been reported during that five years more than 630 volumes of reports of the courts more than 65,000 decisions of courts of last resort in this country. How can you possibly know them? How can you conduct your business and keep out of jail? So, give credit to the convention for what it does not do."

**Hydro-Radial Hearing.**—In reply to the deputation from the Hydro-Electric Association of the province of Ontario, Canada, on March 26, Premier Hearst stated that the resources of the province were at present taxed to the limit by present obligations as a result of the war, and in order to grant the subsidy of \$3,500 a mile to the hydro-radial system it would be necessary to tap new sources of revenue. Once the government's hands were free, after the present crisis was passed, the matter would be taken up and some decision reached. Shortly after the deputation had made its appeal for the subsidy the government had introduced in the Legislature a bill which provides for the creation of radial "zones" in townships. The legislation will authorize township councils to define a radial zone in the township and in that defined section only will the vote be taken. If the proposition is carried, the costs will be borne entirely by the ratepayers in the zone benefited. The bill also provides for validating the contracts and agreements of the Toronto-Markham-Port Perry Radial Line, but its provisions will not be operative except by proclamation.

## Financial and Corporate

### ANNUAL REPORTS

#### San Francisco Municipal Railways

According to a preliminary report made to the finance committee of the Board of Supervisors of San Francisco, the net profit on operation of the San Francisco (Cal.) Municipal Railways for the year ended Dec. 31, 1914, was \$185,546. After deducting the comparison charges for services rendered by other departments of the municipal government and for taxes, the net profit was \$81,790. These comparison charges included \$97,737 for federal, state and municipal taxes and \$6,018 for the estimated value of other departmental services, although these amounts are not actually paid.

The statement of income, profit and loss for 1914 follows:

Operating revenues:	
Passenger revenues .....	\$1,150,236
Miscellaneous revenues .....	9,202
<b>Total .....</b>	<b>\$1,159,438</b>
Operating expenses:	
Way and structures .....	\$27,633
Equipment .....	48,091
Power .....	137,839
Traffic .....	356
Conducting transportation .....	354,332
General and miscellaneous .....	45,904
Comparison charges required by charter .....	6,018
Depreciation—18 per cent of gross revenue .....	208,699
<b>Total .....</b>	<b>\$828,872</b>
<b>Net operating revenue .....</b>	<b>\$330,566</b>
Add miscellaneous income—Income from municipal bonds owned .....	1,318
<b>Gross income less operating expenses .....</b>	<b>\$331,884</b>
Deductions from income:	
Taxes—comparison charges required by charter:	
State franchise—5¼ per cent on gross revenue .....	\$60,870
Municipal franchise—3 per cent on passenger revenue .....	34,507
Municipal car license .....	1,534
Federal income—1 per cent on net income .....	826
Total taxes .....	\$97,737
Interest on funded debt .....	148,617
Other interest .....	3,740
<b>Total deductions .....</b>	<b>\$250,094</b>
<b>Net profit for the year 1914 .....</b>	<b>\$81,790</b>

#### Winnipeg Electric Railway

The statement of income, profit and loss of the Winnipeg (Man.) Electric Railway for the year ended Dec. 31, 1914, follows:

Gross earnings .....	\$4,101,302
Operating expenditure .....	2,416,209
<b>Operating surplus .....</b>	<b>\$1,685,093</b>
Fixed charges:	
Debenture and bond interest .....	\$449,732
City percentage and car license .....	122,487
Taxes, insurance, etc. ....	118,263
<b>Total .....</b>	<b>\$690,482</b>
<b>Net surplus for year .....</b>	<b>\$994,611</b>
Balance from last year .....	901,698
<b>Total .....</b>	<b>\$1,896,309</b>
Quarterly dividends for 1914 .....	1,080,000
<b>Balance carried to balance sheet .....</b>	<b>\$816,309</b>

The gross earnings for 1914 increased \$22,608, or 0.55 per cent, while the expenses of operation, including maintenance, repairs and renewals, increased \$163,602, or 7.26 per cent. The increase in the operating expenses, which occurred principally in the railway department, is attributable partly to expenditure introduced in conformity with the requirements of the Public Utility Commissioner, and partly to the annual increase in the graduated scale of wages applicable to senior service employees. The operating ratio for 1914 was 58.91 as compared to 55.23 in 1913. The net earnings in 1914 decreased \$140,994, or 7.72 per cent. The total of passengers carried decreased from 59,563,757 in 1913 to 58,489,987 in 1914, or 1,073,770, while the transfers increased from 15,039,016 to 20,277,197.

New construction and improvements entailing an expendi-