

INVESTMENTS AND THE MARKET

News and Notes of Active Companies—Their Financing, Operations, Developments, Extensions, Dividends and Future Plans

Canadian Pacific Railway.—Competent London critics fear decreases in Canadian Pacific earnings will continue for some time, and are even prepared for deficiency taking the place of the customary surplus. They console themselves by thinking it need not follow that the dividend would be reduced, seeing the company has such large reserves.

East Canada Power and Pulp Company.—The Montreal Trust Company, as liquidator for the East Canada Power and Pulp Company, will offer at auction at Quebec on December 18th certain blocks of pulp wood cut upon the timber limits formerly held under lease from the Crown by the East Canada company. Approximately 29,000 cords of wood, in four different lots, are to be offered for sale, and, with the exception of one lot, without any reserve price.

Canadian Home Investment Company.—A petition to wind up the Canadian Home Investment Company, on the ground that it is an alleged insolvent institution, and asking for an inspection of the personal accounts of the president, directors and shareholders, has been presented to Chief Justice Hunter, in the Supreme Court chambers, and arguments on the application were adjourned for one week. The petition is on behalf of contract holders.

Kaministiquia Power Company.—The total gross earnings for October were \$29,883, as compared with approximately \$31,000 during the corresponding period of 1913.

The total gross earnings for this year were \$327,109 as compared with \$302,741, or an increase of approximately \$25,000, or 8.3 per cent. Early in the year the dividend was raised from 5 to 6 per cent. This called for an additional disbursement of \$16,000. The capital of the company was also increased by \$200,000 during the year and has ranked for dividends since about March.

Laurentide Company, Limited.—The company is understood to have completed arrangements for the sale in London of a block of the bonds authorized under the new mortgage created last September. The amount is between \$1,500,000 to \$2,000,000. When the company sells these bonds, about \$800,000 will be required for the retirement of the old issue. There was a bank loan of \$304,000 on June 30th, 1914, representing capital expenditure on the new hydro-electric development, and there was further work ahead in the same connection.

British Columbia Electric Railway Company.—The British Columbia Electric Railway Company records depressing conditions in that province, new work having to be postponed, and a big reduction in population. Stockholders are told that they must be prepared for drastic reduction of dividends in the future, owing to the war. There are critics in London, states a cable, who question whether the directors, under these circumstances, are doing the proper thing in drawing upon reserves to maintain the deferred stock dividend at eight per cent. There is pretty certain to be considerable criticism at the annual meeting.

St. Lawrence Flour Mills Company.—The board of directors have declared a dividend of 14 per cent., being the accumulated dividends on the preferred shares up to August 1st, 1914. Of this amount the shareholders have agreed to take 10 per cent. in preferred stock, which will add over \$50,000 to the capital of the company. This additional capital is required by the large increase in the company's business.

In addition to the 4 per cent. in cash now to be paid to the shareholders, the directors expect to pay 3½ per cent. more in cash early in February. That payment will liquidate all dividends up to and including January 31st, 1915, and the way will be cleared for regular quarterly distributions, should business continue satisfactory.

Alberta Pacific Grain Company.—For the year ended August 15th the company showed net profits amounting to \$459,819, as compared with \$322,326 the previous year. Out of the profits for the year four quarterly dividends, at the rate of 7 per cent. per annum, have been paid on the 12,500 issued and fully-paid cumulative preferred shares; \$187,500 has been transferred to replacement account, bringing that

fund to \$200,000, and a dividend of \$4 per share on the 14,000 issued and fully-paid common shares of the company, with a bonus of \$1 per share, has been declared.

Deducting these amounts, a net surplus amounting to \$312,622 remains to be carried forward to the credit of profit and loss. This balance is more than sufficient to pay the preferred dividend of 7 per cent. per annum and a common dividend of 4 per cent. per annum for two years.

International Milling Company.—The annual statement of the International Milling Company for the year ended August 31st last shows trading profits of \$519,115 against \$498,836 the previous year. After deducting \$43,980 for bond interest, this will leave \$475,135 available for dividends on the preferred stock.

The common stock issue of the company was increased from \$570,700 to \$800,000 in February of the current year, when the company declared out of surplus a stock bonus of 40 per cent. in addition to a cash dividend of 28 per cent. After allowing for a year's dividend on the preferred in the year recently closed, there would be a balance of approximately \$400,000 available for the common stock.

The annual statement will show a surplus of approximately \$1,000,000 in current assets. The company also has \$50,000 more cash on hand than notes payable. The company's total assets are \$3,554,423, and after all payments under profit and loss account the surplus at the end of the fiscal year was \$465,717.

The International Milling Company has two mills in Canada and three in the United States.

In the past year operations at the Canadian plants were slightly less profitable than in 1913, but fair gains were shown by the United States mills.

Western Canada Power Company.—The company's holders of 5 per cent. forty-year bonds are to meet in London on December 22nd to consider a modification in the terms of the company's first mortgage.

It is proposed to give the company power to create a fixed first charge, ranking in priority over the bonds issued under the first mortgage upon certain land and property in New Westminster and in certain districts of British Columbia lying to the south of the company's existing plant on Stave River.

"The existing first mortgage trust deed of the Western Canada Power Company is in terms an open mortgage covering all present and future acquired property of the company," explained an official of the company to the Montreal Gazette. "It is now proposed, in order to improve the security and market value of the first mortgage bonds, to close this first mortgage for the present at \$6,000,000, allowing an ultimate increase to \$10,000,000, as the net earnings increase, and at the same time to release from the mortgage certain surplus lands of slight value, which are not required for the hydro-electric works of the company now under construction on the Stave River.

"In case the company should in future years decide to build another additional power-house, on another site, it will be permitted to place a separate first charge on any such site that may be hereafter acquired to cover the costs of the new construction. The company has need to sell some of its bonds to meet its immediate requirements, and the prospective purchasers, in view of existing financial conditions, insist upon closing the first mortgage before making further purchases of the first bonds."

The \$1,000,000 to be raised by the further sale of bonds will probably take care of all the company's financial requirements next year. Most of the machinery for the third unit has been bought and paid for and will be installed in the early part of 1915. The fourth unit may be installed before the end of the year; that will depend on the demand for power.

Considering the conditions which have existed on the Coast, Western Canada Power Company is understood to have fared not badly this year. The demand from industrial companies for power has not come up to expectations, but in other directions there has been progression. British Columbia Electric, for instance, since September 1st last, has been taking 50 per cent. more power than it did in the first stage of the contract. However, even in the case of this contract, conditions have been adverse, as with business normal British Columbia Electric would probably be taking considerably in excess of the minimum provided by the contract.

Don't be a business coward now. After the war, the squaring process will be difficult.