Corporation Finance

Port Arthur Shipbuilding Company Hopes to Build Up Better Business by Entering Other Classes of Manufacture—Dominion Park Company of Montreal Has Good Year—London Street Railway Employees May Strike—Surplus is Too Small to Pay Increased Wage Demand

Demerara Electric Co., Ltd.—September earnings of the company were as follows:—

	Gross.	Net.
Railroad	$10,817	$1,453
Light and power	10,828	4,770
Miscellaneous	.....	683
		$6,906

Trinidad Electric Co., Ltd.—Earnings of the company for September were as follows:—

	Gross.	Net.
Railroad	$19,334	$ 5,788
Light and power	15,291	3,638
Ice and refrigeration	8,485	3,649
Miscellaneous	.....	4
		$13,079

London Street Railway.—Employees have received from the Ontario Railway Board a report on the financial results of operation for the month of October. It showed that, after paying the guaranteed maximum wage of 48 cents an hour, and after meeting bond redemption and other charges which the board deems inescapable, a surplus of only $17.36 remains for division among the members of the union. The bonus, reckoned in cents per hour, is down to decimal fractions and the men's demand for 52 cents is not met. Employees will not recede from their demand for 52 cents, and unless some arrangements are made within the next few days a strike will no doubt ensue.

Nipissing Mining Company.—According to the regular monthly report by Hugh Park, manager, the company, during the month of October, mined ore of an estimated value of $184,578 and shipped bullion and residue from Nipissing and custom ores of an estimated net value of $316,475. The price of silver is figured at 82 cents, a decline of nine cents per ounce from the September statement.

The following is a summary of production for October: Washing plant, $70,270; low-grade mill, $114,308. Total, $184,578. These figures compare with a total of $225,100 during the preceding month. The decline was due to power shortage, a condition which was only temporary.

Winnipeg Street Railway Company.—As announced in these columns last week, a special meeting of shareholders is called for December 4th to authorize an increase in the common capital and to deal with details in connection with the issue of $3,000,000 7 per cent. cumulative preferred stock. With regard to the preference stock it is announced that the new money will be used, when received, to pay outstanding indebtedness of the company. What this is, is indicated by the figures in the annual statement of the company at the close of last year, when the following items appeared: Notes at banks, $2,560,000; accounts payable, $563,501; due to the city, $146,395; taxes to city and province, $530,716; other liabilities, $210,385; bond interest, due January 1st, $125,000.

The outstanding common stock, debenture stock and bonds of the company at the close of last year, were set forth as follows: Common stock, $9,000,000; debenture stock, $4,380,000; bonded debt, etc., $5,750,000. It was also shown that the company had outstanding gold notes of $750,000, due on January 15th next, which are not a part of the current obligation, for which provision must be made in the issue of the new preference shares.

Port Arthur Shipbuilding Company.—Further particulars of the company's operations for the year ended June 30th, 1920, have come to hand, and, as the company was one of those companies originally included in the British Empire Steel Corporation, but was finally excluded, it is interesting to indulge in more detail. The company experienced a reduction in gross earnings from $517,563 to $301,214, due to a decrease in volume of business. The falling off in work has been in ships for new construction, business from drydock and repair work being very satisfactory, showing an increase of 80 per cent. over last year. A falling off in the building of ships has been general, affecting all the shipyards in Canada. The chief causes have been the international exchange situation, which has operated against Canadian yards securing contracts from European countries requiring tonnage and the cessation of building by the Canadian government.

Of ships, construction of which was commenced last year, the company completed and delivered four freight steamships of 3,400 dead weight tons each and launched two freight steamships of approximately 4,500 dead weight tons each, which were completed and delivered, one in September and one in October. All of these ships are for the Canadian government merchant marine fleet. New ship construction commenced this period consists of one freight steamship of approximately 4,000 dead weight tons for the Canadian government and one freight steamship of about 3,000 dead weight tons.

The report also says: "In view of the present situation in regard to ship construction, your directors have deemed it advisable to authorize the company to enter upon other work than shipbuilding to which your plant is adaptable. Work has already been commenced upon a contract for twenty compressed-air mine shovels for one company, and negotiations with other companies requiring this class of machine have advanced to a point where other contracts seem assured. The undertaking of other suitable work, including the manufacture of pulp machinery and digesters, is also contemplated. If nothing unforeseen arises to interfere with plans at present under consideration, which appear, as far as investigation has gone, to be entirely feasible, developments along these lines may, within a short time, result in an amount of business equal to, if not greater, than the falling off in new construction, and this at very small additional capital expenditure." In regard to the manufacture of pulp and paper machinery, the company's policy was outlined in these columns a few weeks ago.

During the year the company redeemed $126,500 par value of preferred stock and retired $60,000 par value of mortgage bonds. Capital expendtiures made this year have been for ordinary additions and betterments only, including the installation of some improved machinery, and amounted to $94,846. A recent appraisal of the company's permanent assets, book value of which is $2,091,522, shows the present net cash value to be $3,250,000.

A comparison of the balance sheet discloses some interesting changes:—

	1920.	1919.
Total assets	$5,982,162	$6,154,902
Cash, accounts receivable and merchandise inventory	1,088,960	930,963
Construction work in progress	1,974,027	1,952,698
Land, buildings, etc.	2,091,522	2,203,618
Victory bonds	......	235,131
Total liabilities	5,001,741	5,360,847
Surplus	980,421	794,055
Acceptances, accounts payable and accrued	166,274	316,107
Advances on construction contracts	1,801,910	1,921,025
Bonded debt	450,000	510,000
Preferred stock	665,200	791,700

Dominion Park Company, Ltd.—Gross earnings of the company for the year ended October 31st, 1920, amounted