

INVESTMENTS AND THE MARKET

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

Monarch Knitting Company.—Net profits of the company during the year ended November 30, 1917, after all fixed charges, amounted to \$202,413, as compared with \$145,534 the year before. Profits represented 27 per cent. on the preferred stock and 11¼ per cent. on the common. After providing for dividends and adding the balance from the previous year, the amount carried forward into the current year aggregated \$442,212, as compared with \$340,423 in 1916. Following is a comparative statement of the profit and loss account:—

	1917.	1916.
Net profits	\$202,413	\$145,534
Dividends	52,500	48,125
Balance carried forward	140,913	292,298
Balance from 1916	292,298	140,889
Balance at credit of profit and loss	442,212	340,423

At the end of November, 1917, the working capital stood at \$526,336, as against \$455,023 in 1916. The assets, exclusive of good-will, were equal to \$196 on each preferred share and \$56 on each common share. Accounts receivable were \$235,955 greater than in 1916. Properties increased \$137,000 and inventories increased \$71,000. Over against these two items were an increase in bank loans of \$102,500, in sundry loans and employees' deposits of \$47,000, and in accounts payable of \$162,000.

New Brunswick Power Company.—The first annual meeting of the company was held on February 25th, 1918. The statement presented covers the period of ten months from March 1st, 1917, when operations commenced. During that period the total operating revenue was \$369,200, and the total operating expenses were \$424,893, leaving a gross income of \$144,306. The net revenue from non-operating departments, such as the Eastern Electric Company, amounted to \$21,553, making for the year a gross income of \$165,860 available for the payment of bond interest and preferred dividends. Of this amount \$74,344 was paid in bond and other interest. The dividends on preferred stock paid for the nine months amounted to \$70,875, and accrued dividends for December \$7,875, leaving a surplus of \$12,766.

During the past year extensive additions were made to the plant. In the power house \$72,112 was spent, very materially increasing the boiler capacity, thus enabling the company to generate a larger amount of current. In the railway department \$14,543 was spent on new equipment, and \$11,803 for replacement of special work, etc. In addition to these figures a considerable sum was spent in improving the tracks by using arc welding machines and rail grinder, building up the cupped ends of rails and welding the joints, which secured a smooth roadbed and easier riding for the street car patrons. This work will be continued during 1918. Additions and extensions were also made in the electric and gas departments, amounting to \$24,476.

Maritime Telephone and Telegraph Company.—Messrs. F. B. McCurdy and Company, Halifax, are asking the shareholders of the company for proxies for the special general meeting to be held in the last week of March, when the question of the company's sale of its shares in the Prince Edward Island Telephone Company will be considered, as arranged at the last annual meeting. Mr. McCurdy is opposed to the company disposing of its interest in the Prince Edward Island Company, not only on the ground that it is not to the advantage of the Maritime shareholders, but owing to the manner in which the deal was carried through with Howard P. Robinson, of the New Brunswick Telephone Company in the interests of a new company, the Eastern Telephone Company. The circular setting forth the objections to the deal takes up various phases of the controversy at length. With reference to the relations of C. F. Sise, Jr., and L. B. McFarlane, of the Bell Telephone Company, to the matter, the circular says:—

"C. F. Sise, Jr., of Montreal, P.Q., a director of Maritime appointed by the Bell Telephone Company, stated at the

meeting, in response to a question, that he heard about the charter of the Eastern Telephone and Telegraph Company being put through the Federal House last year, and went to Ottawa to oppose it. While there he was informed that it did not affect the Bell Company's territory, and when told that the charter was being asked for by friends in the Maritime Provinces, he withdrew his opposition. It is understood that directors C. F. Sise, Jr., and L. B. McFarlane, have had no connection with the proposed sale of Prince Edward Island shares. In fact, at the meeting, Mr. Sise stated that he had not considered the merits of the proposal, and at that time did not wish to be considered as expressing any opinion in the matter."

Montreal Cottons, Limited.—A satisfactory year's business was reported at the annual meeting of the company, held in Montreal recently, net income for 1917 exceeding the previous high record of 1916 by \$6,575, while the gain over 1915 was \$88,822.

The business profits tax and special donations figured for an extra \$35,000 in the year's appropriations, reducing the balance carried forward to surplus account after paying dividends. The balance at \$89,175, however, may be considered substantial in view of the company's stability, and the fact that surplus account stands at \$2,420,383. Cloth sales for the year were \$4,308,520, against \$4,397,823 in 1916, and \$3,055,000 in 1915. Comparisons of profit and loss figures for three years follow, the usual appropriations of \$115,000 for depreciation being deducted before showing profits:—

	1917.	1916.	1915.
Profits	\$492,720	\$473,688	\$394,898
Rents	3,887	16,344	12,886
Net income	\$496,607	\$490,032	\$407,785
Charges	42,432	43,250	53,777
Balance	\$454,175	\$446,782	\$254,008
War tax, etc.	35,000		
Balance	\$419,175	\$446,782	\$354,008
Dividends	330,000	330,000	330,000
Surplus	\$ 89,175	\$116,782	\$ 24,008

Relatively small changes are shown in the balance sheet. Property account increased about \$141,000 in the year; the surplus of working assets over current liabilities was \$2,087,140, or about \$79,000 less than at the end of 1916. Mr. S. H. Ewing, in his report as president, states that the general business of the company through 1917 was very satisfactory and orders in hand promise favorably for the current year. The company is daily adding new automatic machinery which will ensure the largest possible production and will tend to overcome difficulties arising from the scarcity of labor now existing and likely to continue. The loss of the company's hydraulic electrical plant in December, a loss fully covered by insurance, seriously disturbed business towards the close of the year. Restoration of the plant is proceeding rapidly, the new installation embracing the latest hydraulic improvements.

Penmans, Limited.—The company's business showed a satisfactory increase over the 1916 year and an enormous gain over the figures of a few years ago. The company's sales in 1917 amounted to \$6,896,000, an increase of \$1,056,000 as compared with 1916, and of \$2,153,000, as compared with 1915. The surplus of liquid assets over liabilities was increased during the year by \$664,000, the active surplus now amounting to \$2,649,000. The active surplus is, therefore, almost half a million dollars greater than the common issue. The company is exceptionally strong in current assets. Raw and manufactured stock jumped from \$2,190,000 to \$3,244,000. In accounts receivable, cash and Victory bonds, the company has \$1,219,000 and its total current assets are \$4,463,000.