

## INVESTMENTS AND THE MARKET

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

**Canadian Pacific Railway.**—Donald MacMaster, M.P., in the course of a discussion on American securities in the British house of commons, remarked that great fears prevailed in Canada that control of the great national railway, the Canadian Pacific, might pass into American hands by their acquiring the company's shares.

Reginald McKenna, in replying, said that he undertook, when the subject of the purchase of dollar securities was discussed, not to include any Canadian shares in the government purchase scheme, except with the approval of the Canadian government.

"We are, therefore, doing nothing with these shares," he added, "because the Dominion government does not wish us to do so, and we may safely leave the matter in their hands."

**Canadian Car and Foundry Company.**—The company's profits for the year ended September 30th were \$321,839, against \$673,035 in 1914 and \$2,351,325 in 1913. Sales for 1915 amounted to \$5,500,000, as compared with \$11,100,000 in 1914 and \$27,000,000 in 1913—decreases of 50 and 80 per cent., respectively.

Senator Curry, president, stated that during the year the sum of \$550,000, expended in installing special machinery for the manufacture of munitions, was charged off against earnings on munition orders; \$325,000 was set aside for depreciation, renewals, etc., leaving a loss of \$3,150. Bond interest was paid from surplus account to the extent of \$555,311, making a total deficit of \$558,471 and reducing the surplus to \$1,073,798.

The profit and loss accounts for the past two years,—

	1915.	1914.
Profits .....	\$ 321,839	\$ 673,035
Depreciation, etc. ....	325,000	278,076
Balance .....	\$ 3,160	\$ 394,958
Bond interest .....	555,311	460,767
Balance .....	\$ 558,471	\$ 65,808
Preferred dividend .....		367,500
Common dividend .....		159,000
Balance .....	\$ 558,471	\$ 592,308
Previous balance .....	1,632,269	2,224,578
Surplus .....	\$1,073,798	\$1,632,269

Bank loans increased from some \$1,600,000 to \$2,234,301 and trade bills from \$361,000 to over \$1,000,000. Current assets total \$6,011,051, and exceed current liabilities by over \$2,500,000.

Reference is made to the Imperial Russian Government business of the Canadian Car and Foundry Company on another page.

**Dominion Textile Company, Limited.**—For the year ended March 31st, after paying current interest on loans, all mill charges, and writing off \$350,155 for repairs and improvements to the mills, net profits amounted to \$1,481,195, as compared with \$1,230,767 for the previous year. To the profits for the year must be added a dividend received from the Dominion Cotton Mills Company, amounting to \$74,377.

After paying interest on bonds, preferred and common dividends, rental of the Dominion and Mount Royal mills, and putting aside a reserve of \$100,000 towards the government war tax, there was left a surplus of \$211,608, making the total amount at the credit of profit and loss account on March 31st \$1,093,534, as compared with \$881,926 in the previous return.

Sales for the year amounted to \$10,438,098, compared with \$7,643,674 last year.

The company has in operation 10,000 looms, 464,144 spindles, and employs over 7,000 hands.

The company's balance sheet shows assets of \$15,485,544. Included in the liabilities are commercial loans, \$2,151,427, and special loans, \$487,963.

Mr. C. B. Gordon, president of the company, stated that the company had experienced difficulty in obtaining sufficient dyestuffs and chemicals used in the production of high-grade shirtings and prints at the bleachery and print works, but they had been able to run these departments to full capacity, although obliged to advance prices to meet conditions. Since the outbreak of the war the company had added a number of new lines not previously made in Canada to their range of cloths, and they do not anticipate any difficulty in holding this trade after the war is over. Owing to the large increase in the demand for all cotton goods which developed during the last half of the fiscal year, the company is now reaping the benefit of the policy of keeping the mills up to high standard so as to be in a position to take advantage of such opportunities. This demand is still keeping up, and the directors feel assured that they will be able to keep the mills running to full capacity for some time to come.

While a factor in the increased business was the falling off in the English trade on account of the war, President Gordon believed that when times became normal again much of the trade now acquired by the company would be held.

**Montreal Light, Heat and Power Company.**—The company's gross revenue was \$6,877,167; operation and maintenance took \$2,856,798; depreciation and renewal reserve, \$675,000, leaving a net revenue of \$3,345,369. Fixed charges were \$487,181, and the net income \$2,858,188. Dividends paid amounted to \$1,403,205, and dividend paid May 15th, \$467,735, leaving a surplus from year's operations of \$987,248. The gross and net revenue and surplus earnings show increases over the previous year, notwithstanding the unusual and disturbed business conditions that have prevailed throughout the period under review and the fact that there are at present upwards of eight thousand vacant houses and stores in the city and suburbs, incident to the war and recruiting amongst householders. The increased earnings are in large measure due to electric power and gas sales for munition purposes, and are, consequently, of a more or less temporary nature. Mr. H. S. Holt, president, in his statement says it remains an open question what trend business will assume after the conclusion of hostilities; it is natural to expect some general readjustment, and we can only hope that the period will not be severe nor prolonged.

The surplus earnings from the year's operations amounted to \$987,248, from which there was deducted the usual appropriation to officers' and employees' pension fund of \$10,000, also reserve of \$204,729 to meet this year's contribution to the business profits war tax act of the Dominion government. With these provisions the balance of \$772,518 has been carried forward to general surplus, bringing the accrued surplus to \$5,742,272.

The president's reference to the business profits war tax act, as recently enacted by the Dominion government to provide for the payment of war debts, states that it purports to tax for three fiscal periods subsequent to December 31st, 1914, the profits of all corporations in excess of 7 per cent. on share capital and unimpaired reserves employed in the conduct of their business. It has been calculated that the company's contribution will amount in the aggregate to approximately \$600,000. Two tax periods under the act have already accrued for the company; the first year's tax, amounting to \$169,344, has been provided out of suspense account, while that for this year has been provided, as noted, out of current year's earnings. The two years together appear on the balance sheet and will be paid according to the provisions of the act.

In addition to this extraordinary item of expense, the company is experiencing inevitably higher costs as a result of abnormal prices and surtaxes prevalent on all raw materials and supplies used in its business.

During the year there were redeemed for cancellation, in accordance with mortgage requirements, \$32,000 of the company's Lachine division sinking fund bonds.

The general balance sheet shows assets as follows: Stocks, bonds, etc., \$23,810,360; construction, \$13,330,383; investment securities, \$64,119; war loan, \$100,000; bonds in treasury, \$712,000; accounts collectable, \$836,549; stores,