

CANADA INTERLAKE LINE—Continued

Subscriptions may be forwarded by mail or by telegraph at our expense. They may be on regular forms, which may be had on request, or, where these are not available, letters simply stating that so many shares are subscribed for under the terms of the offering will be sufficient.

A memorandum is appended, giving features of the business furnished by Mr. J. W. Norcross, Managing Director, which includes figures as to earnings for the year 1912, certified by Messrs. Clarkson & Cross, Chartered Accountants.

Full particulars relating to the offering have been published in folder form, and may be seen at our office, or will be mailed on request.

We recommend the purchase of these shares from the standpoint of security, interest return and prospects of increase in their market value.

A. E. AMES & CO.

Union Bank Building, Toronto.

Royal Insurance Building, Montreal.

STATEMENTS FROM MANAGING DIRECTOR'S LETTER:

The fleet consists of 14 modern steel freighters, having a capacity, measured in bushels of wheat, of 1,662,500 bushels.

The names of the ships are as follows: Canadian, Acadian, Regina, Kenora, Tagona, Fordonian, Gordon, Hamiltonian, Calgarian, McKinstry, Renvoyle, Cadillac, Pioneer and Mars.

The "Fordonian" and "Calgarian" are new ships, almost completed, which will be ready for operation at the opening of navigation in 1913.

The first nine vessels constitute the finest, most modern and best equipped fleet of canal size package freighters operating on the Great Lakes. The "McKinstry," "Renvoyle," "Cadillac" and "Pioneer" are thoroughly modern steel bulk freighters, and are also of canal size. The "Mars" is engaged in freight traffic on the Lakes west from Buffalo and Port Colborne and on Georgian Bay.

Arrangements to acquire the 14 vessels were made when tonnage was comparatively cheap, and they could not be replaced to-day except at a considerable advance upon the purchase price.

The total insurance on the fleet is over \$1,800,000, which exceeds the total of the Preference stock and underlying Bonds.

The Company's fleet has been specially constructed for the purpose of handling package as well as bulk freight, with the result that advantage has been taken

of the largely increasing volume of package freight offering from eastern ports to the west. The considerable number of vessels in the fleet secures to shippers a regular and frequent service, and as a result, the line has formed important and valuable shipping connections at Montreal and intermediate points, and at Port Arthur, Fort William and Westfort, the lake ports of the three great Canadian railways.

Considerable of the Company's tonnage is protected by favorable contracts, having from three to seven years to run. Under these contracts 180,000 tons of westbound freight were handled this year. The Company has also a contract for each of the next three years for transportation of pulpwood for four boats for the four months of the season of navigation when tonnage is slackest.

The value of seven of the vessels, as fixed by the appraisal made by the Canadian Appraisal Company on April 15, 1912, and by the purchase prices of the additional vessels totals \$1,851,958, and is in excess of the total of the underlying Bonds and Preference stock.

The Company will be in a strong financial position, having ample working capital and three of its vessels free of bonded indebtedness. By 1925 the Sinking Fund will have retired the Bonds on four other vessels, and those now outstanding will then have been reduced to \$220,000, while in 1927 all the existing Bonds will have been paid off.

NET EARNINGS—1912.

The net earnings for the year 1912, up to November 30th of the Canadian, Acadian, Regina, Kenora, Tagona, McKinstry and Renvoyle, and of the Gordon from July 1st only (being date of purchase), and the Hamiltonian from July 10th only (being date of completion), were	\$211,270
Estimated for balance of season	14,000
	\$225,270

ESTIMATED NET EARNINGS—1913.

Canadian, Acadian, Regina, Kenora, Tagona, McKinstry, Renvoyle, Gordon and Hamiltonian the same as for 1912, notwithstanding that the Gordon and Hamiltonian were not in commission for the first three months of the navigation season	\$225,000
Fordonian, Calgarian (almost completed and will be in commission on April 1st, 1913, at opening of navigation season), Cadillac, Pioneer and Mars (just purchased)	123,000
Total net earnings from operation	\$348,000
Interest on Bonds and Mortgages	\$46,750
Sinking Fund for Bonds	67,000
	113,750
Net earnings on Capital Stock	\$234,250
Preference Dividend, 7 per cent.	\$70,000
Special Reserve on Preference, 3 per cent.	30,000
	100,000
Net earnings on Common Stock	\$134,250

It will, therefore, be seen that, after paying out of the earnings the heavy charge of \$67,000 for Sinking Fund, there would, in accordance with the above, remain an earning on the Preference Capital of 23.4 per cent., and after payment of the preferred dividend and making provision for the Reserve Fund there is a surplus equivalent to 13.4 per cent. on the Common Stock.